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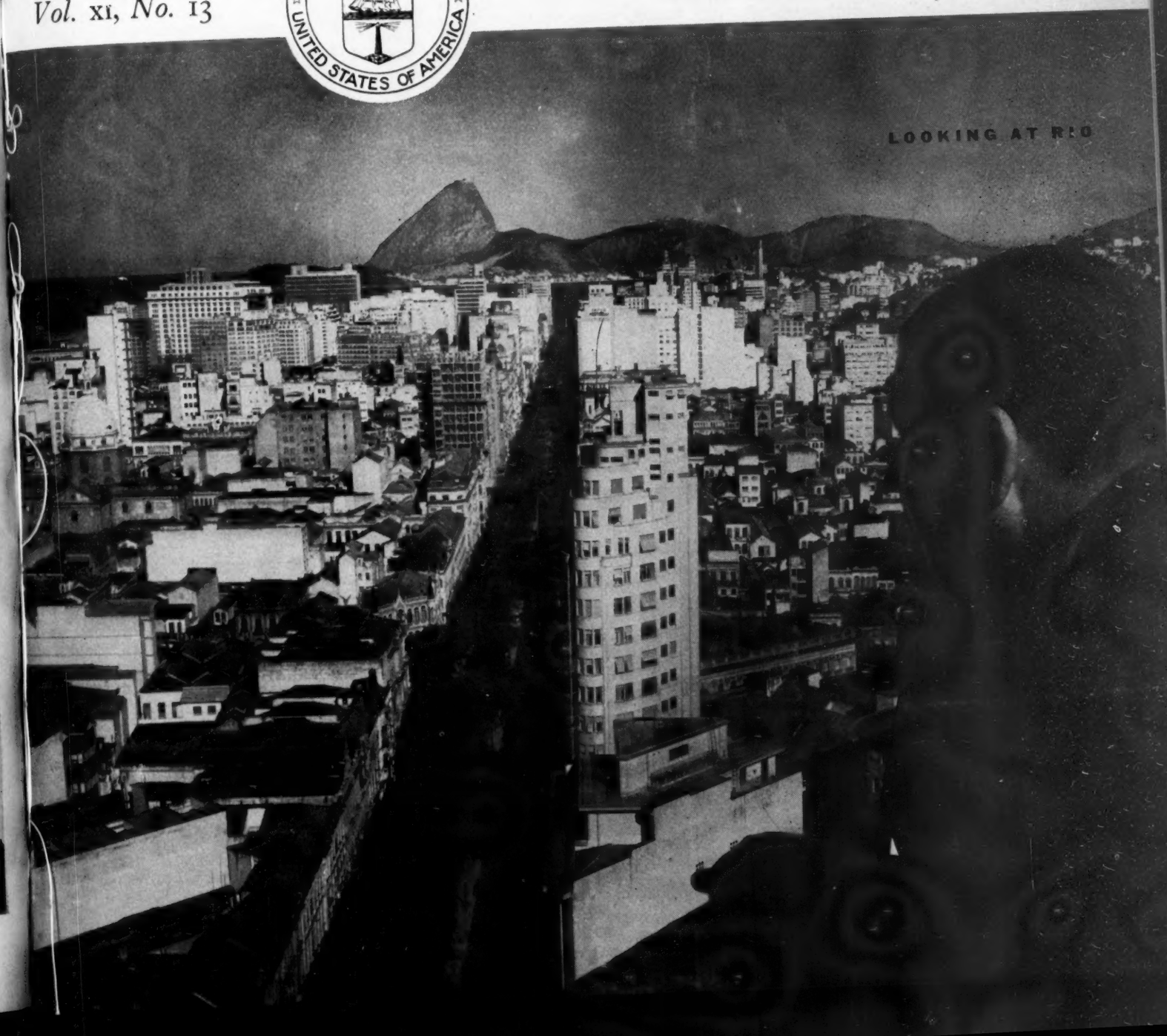

Foreign Commerce Weekly

Foreign Commerce Weekly is the official medium of the Department of Commerce for the dissemination of commercial and industrial information gathered throughout the world by the Foreign Service of the United States, and obtained from other sources.

Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, *Secretary*

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JUN 30 '43

Building Brazil—

Part 1: The Dynamic Drive—the Main Objectives—the Character of the Construction

By Lee Ross, *Press Division, Office of the Coordinator of Inter-American Affairs*

SYMBOLIC OF BRAZIL'S latent dynamic power is the "Sleeping Giant" at the entrance to the beautiful harbor of Rio de Janeiro, the capital city. The beauty of the panoramic tapestry woven by the rare combination of an aquamarine sea, studded with islands etched in white sand, waving palms and tumbling verdant mountains surrounding the city, is unmatched anywhere in the world.

The best known of these rocky masses is famed Sugar Loaf, which juts out into Guanabara Bay. Sugar Loaf is actually the highest peak of a low-lying chain of mountains on the fringe of Rio's harbor. Like many other things in Brazil, nature with prodigious artistry has shaped these mountainous crags into a gigantic reclining figure called the "Sleeping Giant," and Sugar Loaf represents the bent knee of the giant.

Today the "Sleeping Giant" has been aroused, and Brazil is taking its rightful place in the family of the United Nations.

Brazil's World Role Today

Brazil was the first nation in South America to declare war against the Axis. While seven of the other nine South American nations have broken relations with the Axis, and Bolivia has just recently declared a state of war against the enemies of freedom, Brazil has been an active belligerent on the side of the United Nations in the fight for the "Four Freedoms."

In 1917, Brazil likewise was the first country in the other Americas to join the United States in its declaration of war against the Central Powers, and in the present conflict Brazil is cooperating wholeheartedly with the United States and the United Nations. As Brazil's Foreign Minister, Oswaldo Aranha, has said: ". . . there are no two countries that better complement each other within their joint economy nor two peoples more friendly within the community of nations than the United States and Brazil."

Brazil's role in the war effort has a special significance. It is the largest buyer of United States goods in the other Americas and the source of a large variety of materials essential to the United States in peace and indispensable in war. Brazil is literally a storehouse of strategic supplies vital to the United Nations in the "Battle of Raw Materials."

When the Japanese hordes overran the Far East, the United States lost its normal source of many strategic raw materials. Products such as rubber, quinine, mica, tungsten, antimony, and quartz crystals, which this Nation does not have among its natural resources, as well as other vital products which the experts label "critical" because of the limited quantities available in the United States, were lost. Without these strategic and critical materials our war-production efforts could be virtually nullified.

The South American nations have aided considerably in making up these losses, and Brazil, with its illimitable resources, has been the greatest contributor.

Brazil, too, because of its proximity to Africa—only 1,870 miles at the "bulge"—

Courtesy Lee Ross

Along the magnificent curving beaches of Rio stand today some of the world's most striking examples of modern architecture.

is of strategic military importance to the United Nations.

Brazil is a nation of 41,565,083 people, according to the general census of 1940—the largest population of any nation south of the Rio Grande. It is larger in area than continental United States and comprises almost half the area of South America.

Firm Foundations Laid

The economic development of Brazil presents problems which involve many unusual conditions and which could not be solved under the economic concepts prevailing in the Old World. A new outlook on international relations, together with new techniques of industrial economy, has laid a firm foundation for developing the latent but vast natural resources of Brazil for the benefit of humanity. To cite several examples in the technical field: Wide utilization of hydroelectric power drawn from Brazil's mighty rivers; expanding use of the airplane; and modern road-building equipment to extend communications over Brazil's vast territory.

Recent cooperative efforts on the part of the United States and Brazilian Governments have developed an atmosphere of common interest. These cooperative moves have energized and sharply stimulated industrial activities throughout this vast nation. The industrial stimulus, stemming from the large Atlantic coastal cities, is penetrating far into the hinterland regions. Today, Brazil is literally pulsating with activity—such as it has not experienced since its ill-fated rubber boom during the first decade of the twentieth century.

Until that time, Brazil had followed a pattern of "colonial economy," exporting raw materials and agricultural products and importing manufactured goods. Only in the past 40 years has an industrial trend become apparent.

Amazing Industrial Advance

At the end of the Empire of Dom Pedro II in 1889, there were in all Brazil only 903 industrial establishments. In 1935 there were 60 times that number, and today Brazil has more than 60,000 industrial plants. Textile, cement, and meat-refrigeration plants are the largest. Brazil manufactures paper, cigarettes, fabricated metal goods, drugs and chemicals, ceramics and glass, matches, and a variety of other consumer items for domestic consumption. A $75,000,000 steel mill at Volta Redonda is expected to be completed some time in 1944. The United States and Brazil jointly financed this project. The Export-Import Bank of Washington has agreed to lend Brazil up to $45,000,000 for this project, and Brazil has contributed about $30,000,000, making a total of approximately $75,000,000. The Export-Import Bank originally authorized a credit of $20,000,000, which has been increased twice—once for $5,000,000 and again for $20,000,000. The agreement provides that credit funds be utilized solely for the purchase from the United States of all equipment to be installed in the steel plant.

Besides the $45,000,000 authorized credits extended for Brazil's new steel mill the Export-Import Bank has authorized additional credits of $131,000,000, making a grand total of $176,000,000 in credits extended to Brazil. As was the case with the United States in the expansionist era, Brazil's program of industrialization needs more foreign capital for full development, as well as the country's own trained industrial technicians. Although Brazil's present status represents merely a good start, nevertheless it now makes its bid as possessing the greatest industrial potential of any nation in South America.

The industrial expansion in Brazil during recent years has been particularly noticeable in the large population centers such as Rio de Janeiro, with a population of 1,781,000 (in 1763, it was 30,000), and São Paulo, second city of Brazil, with a population of 1,318,000. About 10 percent of Brazil's total population, or approximately 4,400,000 people, live within a radius of 125 miles from the city of São Paulo, including those in 88 municipalities.

Construction Demand Pressing

In consequence of the accelerated industrial activity, a pressing demand for housing and office space has arisen. In São Paulo, for example, licenses for an average of more than 1,550,000 square feet of building floor area have been issued monthly during the past 2 years. The progressive way in which city authorities are coping with the problems inherent in building a city to a plan makes São Paulo's story an important

Coordinator of Inter-American Affairs

This is the building of the Ministry of Education and Health at Rio. Note the unusual honeycomb of louvers. These provide maximum air circulation as well as the optimum light intensity.

"Arsenal of Strategic Materials"

FOREIGN COMMERCE WEEKLY feels that the present article on "Building Brazil," presented in two parts in this issue and the succeeding one, serves to complement the rather elaborate article which this magazine published February 21, 1942, under the title "Brazil—Arsenal of Strategic Materials." Readers who are interested in the present discussion will, it is believed, find equally informative data, of a wholly different character, in the earlier illustrated article.

The "Arsenal of Strategic Materials" article furnished many facts about Brazil's resources and production—while the present two articles outline the major movements of actual physical construction in the great southern Republic. While this present article was in press, Brazil's construction activities today found new and striking exemplification in the news that in Rio de Janeiro there is soon to be erected a new *35-story* office building, called the United Nations Building.

one to engineers and architects in the United States.

São Paulo's history reads like that of Chicago at the turn of the century with its humming activity and its new buildings. Skyscrapers and broad boulevards, and traffic problems attendant on swift growth, make São Paulo the most "North American" city in South America.

As Vera Kelsey says in her book "Seven Keys to Brazil": "São Paulo's old business section or 'triangle' suggests lower New York City in its tangle of short, narrow, interlocked streets; broad avenues lead to residence suburbs whose spacious homes, green lawns, and shade trees duplicate those of Buffalo, Minneapolis, Los Angeles."

Progress in São Paulo

During the past two decades São Paulo has been shifting its activity increasingly to an industrial economy because of two influences: First, the large immigration of industrious Europeans before and after the last war, and second, the establishment of cheap electrical power by the building of dams forming Lake Guarapiranga in 1928 and of the Rio Grande Reservoir a few years later. Each of these dams backs up about 30 miles of streams that originally flowed inland to the Parana River. Turbines located at the foot of a 2,160-foot drop are capable of generating 1,000,000 horsepower, three times the present consumption. São Paulo's 10,000 factories, representing about 40 percent of Brazil's productive capacity, increased their power consumption 20 percent last year; 11 percent the year before. Brazil has more than 1,000 light and power plants serving about 2,000 communities.

At the edge of Lake Guarapiranga a large garden city known as "Interlagos" is under construction. This development will eventually house about 6,000 people. It will have streets, parks, a beach, and boating facilities.

The leading industries of São Paulo include spinning and weaving, tanning, machinery, chemicals, paper, lumber, ceramics, clothing, footwear, building and construction materials. To help provide for future trained personnel, the Government has under way a $1,000,000 industrial trade school.

Building "Gasogenios"

To aid in overcoming the fuel problem affecting transportation, the Brazilian Government recently authorized the importation of material into São Paulo to manufacture 11,000 "gasogenios" to be installed in trucks and busses. Busses running between Santos, the coffee port, and São Paulo, have shown excellent results. Recent official reports from Brazil indicate that as of April 15 more than 2,000 gasogene automobiles were in circulation in Rio de Janeiro, and about 10,000 vehicles equipped with this device were operating in São Paulo.

Dozens of installations intended for cars are being sent to farms where they are taking the place of the gasoline engines that formerly created motive

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Brazilian skyscraper. The fine wide streets of the city of São Paulo are lined with up-to-the-minute office buildings, of which the above is an outstanding example. Reinforced concrete is the type of construction most favored by the Brazilian architects.

power. The gasogenes are also being built for installation on farms to provide economical *lighting*.

Two large factories have recently been constructed to manufacture this device, and about 40 "gasogenios" are built daily. The "gasogenios" use charcoal, which in combustion creates a gas to propel the vehicle. Some of these charcoal-producer-gas units generate 1,000 horsepower.

So large has become the demand for powdered charcoal for these units that a large cement company has turned over one of its mills for the preparation of powdered charcoal for former gasoline service stations.

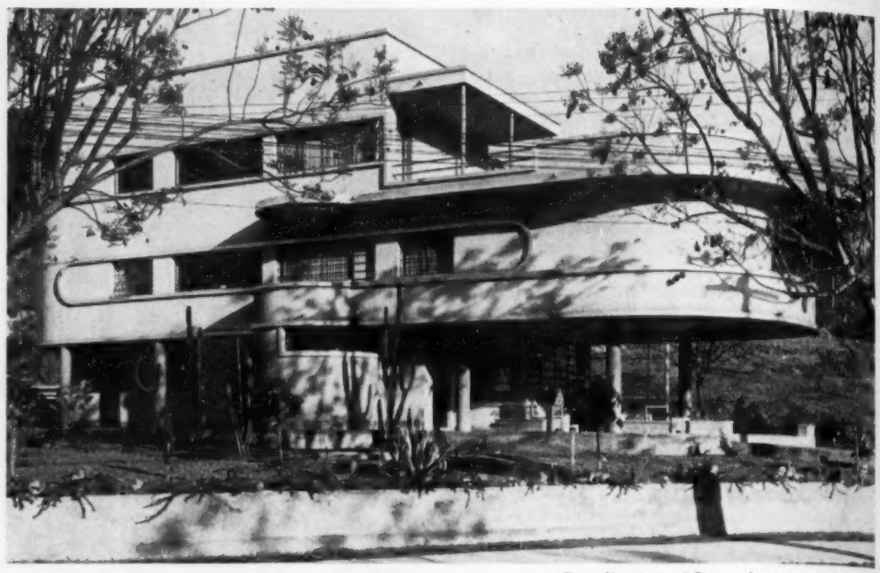
Recently Brazilians witnessed the first gasoline-less automobile race ever held in their country. Thirty-two stock cars equipped with "gasogenio" apparatus competed for the benefit of the Brazilian Red Cross. Vascos Amerios, a Brazilian, driving a United States stock model, won the race with an average speed of 40 miles per hour.

São Paulo was the first Brazilian State to promote the use of gasogenes, and so successful were the efforts that four other States have now appointed commissions to promote the use of this device.

Coping With Fuel Problem

To stimulate the increased manufacture of fuel alcohol, the State of Rio Grande do Sul approved plans to organize a company with the object of building a large plant for the distillation of fuel alcohol. The new plant will be capitalized at 2,500,000 cruzeiros. By the spring of 1944 Brazil expects to have in operation 8 distilleries with a combined yearly output of about 4,250,000 gallons of motor alcohol made from mandioca. Eventually, it is planned to have 20 distilleries with a combined yearly output of perhaps 10,500,000 gallons.

Another step taken to cope with the fuel problem is indicated by a report made to the Minister of Agriculture by Dr. Felisberto Monteiro of the Instituto Agronómica do Norte. The report calls attention to the large number of alligators in the Amazon region. The alligators, after processing, provide an oil suitable for use in motors. Already alligator oil is being mixed with fuel oil now being used in the electric power plant at Tefe.



Coordinator of Inter-American Affairs

A residence in the modern, international style, in the suburbs of São Paulo. In its style, dignity, and practical utility it reflects the energetic, creative urge that dominates so much of the newer construction in Brazil.

A school building in Rio.

Aluminum Prospects

A group of financiers in Sao Paulo are endeavoring to build an aluminum refining plant and to get the necessary equipment from the United States. They claim they have high-grade bauxite deposits located conveniently near the city and an abundance of hydroelectric power. They also maintain that they have the necessary local skilled technicians to operate the aluminum plant.

Brazil has already made considerable progress in the exploitation of its large deposits of bauxite and development of an aluminum industry.

One establishment under construction has a rated capacity of 5,000 to 6,000 tons of aluminum annually. Initial production of metallic aluminum is expected to amount to 2,000 tons annually. Power will be furnished by a hydroelectric plant with a capacity of 14,500 horsepower.

Motives for these projects are the desire to exploit more fully Brazil's immense bauxite deposits, and to ship aluminum to the United States as a contribution to the war effort. In addition, the Government aims eventually to establish an aircraft-construction industry based on its own aluminum supplies, and to turn out cargo planes capable of transporting heavy loads of relatively valuable merchandise from the more inaccessible parts of the interior to the coast, thereby solving the country's most serious problem—inadequate transport facilities.

Brazil has 81 known deposits of bauxite, estimated at about 150,000,000 tons. The largest, estimated to contain 120,000,000 tons of unusually high metallic content, is located near the health resort of Pocos de Caldas, in the State of Minas Gerais. It is at present entirely surface-worked and is said to yield an average of 1 ton a day per miner.

Illuminating Figures

São Paulo's rate of growth in population has been approximately 4 percent per year for the past few years. Although the building rate has fallen off somewhat recently, 1941 saw an average of 33 new buildings of various types commenced each day. Most of the work was in the residential suburbs.

Under the unprecedented building program being carried on in São Paulo, authorization was granted during 1939 for the construction of 10,183 new buildings—a total which compares with an average for the preceding 30 years of 3,791 annually. The 1939 authorizations called for the construction of 67 buildings of more than 5 stories in height, of which 33 represented buildings of more than 10 stories.

Two outstanding projects under way in São Paulo are a 38-story building being constructed by the Bank of the State of São Paulo, which will be the highest in Brazil and is expected to be finished by October 1943, and a 24-story building being constructed by the Bank of Brazil. The cornerstone for this latter building was laid recently. On April 19 the Rio de Janeiro branch of the National City Bank of New York opened a handsome new 18-story building known as the "Edificio City."

Construction has begun on Rio's largest and highest structure—the Darke Building. This building will have 27 stories and will cost about $5,000,000.

Construction Industry Big

Increased building has created a large construction industry which now represents a substantial part of Brazil's economy. The construction industries in Rio de Janeiro and Sao Paulo employ directly about 50,000 workers. In addition, approximately 200,000 skilled and semi-skilled workers are employed in supplying the building industry with cement, brick, tile, lumber, hardware, paint, and sanitary wares.

At the beginning of 1940, as a result of the war, there was a lag in construction activity in Rio de Janeiro and some other sections of the country. However, this lag was short-lived, and the industry regained impetus, though the war caused an increase in construction costs of from 20 to 40 percent.

Since the majority of the residential and office buildings were old-fashioned and had few comforts, conveniences, or sanitary facilities, the industry allowed a few years to pass after the first modern apartment and office buildings were erected, as though waiting to see the result. Then, with a confirmed belief in success, it embarked on a widespread construction program and was impelled forward under this momentum notwithstanding war uncertainties.

"Institute" Activity Vital

To integrate the great housing activity which has arisen in Brazil in consequence of the industrial boom, the "Instituto de Aposentadoria e Pensões dos Industriarios" (Industrial Workmen's Retirement and Pensions Institute)—one of Brazil's social-security authorities, serving 3,000,000 industrial workers—is now in process of completing construction of many large low-cost housing and other building projects. These low-cost projects are being carried on simultaneously in the cities of Rio de Janeiro, Sao Paulo, and Porto Alegre in southern Brazil and Recife (Pernambuco) and Baia (Bahia) in the north, as well as other important industrial regions.

Courtesy Lee Ross

No city in the world can display finer apartment buildings than Rio. This is the Edificio Valença, on the Rua Machado de Assis.

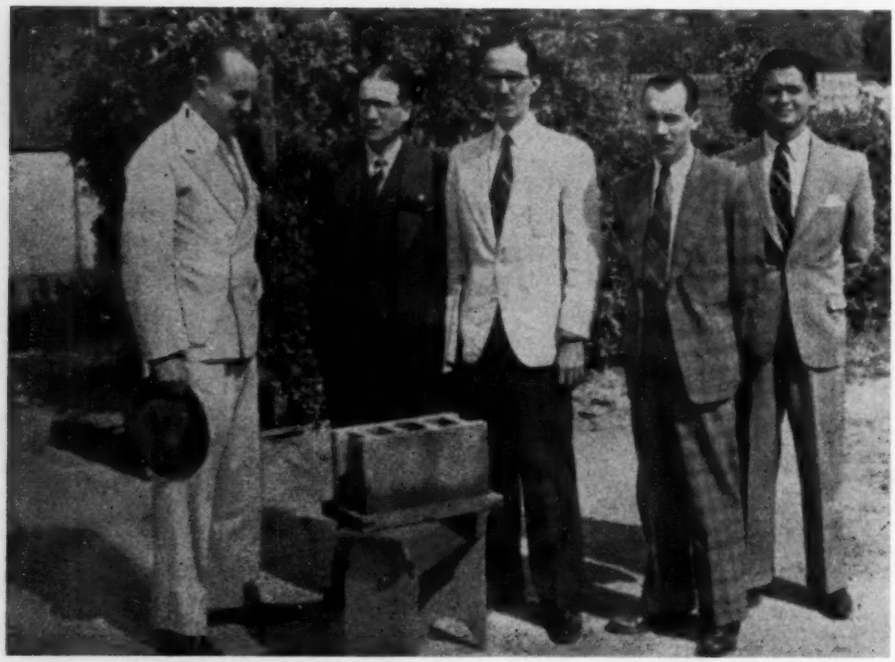
United States engineers are cooperating in the furnishing of equipment for these projects. The new building construction includes the latest and best electrical-distribution equipment.

In line with President Getulio Vargas's social program, the new construction projects are designed not only to relieve the housing shortage but also to improve the health and lift the standard of living of the neediest elements of the population.

Under a law passed to establish financing of new low-cost housing construction for industrial workers, each project must consist of a minimum of 50 or a maximum of 500 houses. The building sites must be approved by the Government, and all houses must be within a radius of five-eighths of a mile from industrial centers. The cost of each dwelling unit may be between 5,000 cruzeiros (approximately $250 in United States currency) and 20,000 cruzeiros (approximately $1,000 in U. S. currency).

Methods and Measures

The "Instituto de Aposentadoria e Pensões dos Industriarios," whose activities cover the country from the jungles of the Amazon to the fertile grazing lands in the State of Rio Grande do Sul, was founded in 1938 by the Public Works Department of the Brazilian Government. Dr. Plinio Cantanhede is president of the Institute and has been the driving force in the building of a model city on former wastelands at Realengo, with 14,000 dwelling units for families of Rio de Janeiro industrial workers. He is a civil and industrial engineer who for many years was a professor at the National Brazilian Engineering Academy.



Active apostles of housing progress in Latin America. In the center is Dr. Plinio Cantanhede, president of the Brazilian Social Security Institute.

Financing of these modern housing projects is handled through the Institute. The Institute derives funds for the housing, as well as pensions and other social activities, through contributions from the income of the workers, a similar percentage from the employer, and an equal amount from the Government. The Institute has 50,000 dwelling units under construction or in the planning stage. The Army and Navy have organizations which function somewhat like the Institute and provide low-cost housing for commissioned and noncommissioned officers, using a financial sharing system similar to that of the Institute.

Realengo and other similar projects are financed entirely by Institute funds. The Brazilian Government facilitates the acquisition of materials, allowing foreign materials destined for construction to enter duty-free; it relaxes construction laws, but otherwise offers no direct subsidy. The Institute expects to receive 6 percent interest on its loans.

Selection of sites is determined largely by the presence of industrial developments, as in the case of the steel mill at Volta Redonda. Strategic location is also an important determinant. "Cidade Industrial," a super-modern city development on the outskirts of Belo Horizonte, has been selected for its central location in the State of Minas Gerais and a surrounding region replete with a diversity of agricultural and mining riches.

Realengo as Example

Another reason for selecting a site, as in the case of Realengo, is that the valley was a swamp and breeding place for mosquitoes, which, with the evening breeze from the mountains, were blown in great numbers into Rio de Janeiro. The site can be reached in 30 minutes by electric train from Rio. The land was Government property. The swamps were drained, and a large airport and aviation school were built there, and then the Realengo housing development.

Realengo will also have social and recreational facilities, including a motion-picture theater, club, nursery, school, park, market, hospital, kindergarten, a sports field, and a commercial center. Through the wrecking of hundreds of business blocks to push through a new avenue—the Avenue Getulio Vargas—authorities hope to get sufficient materials to construct 2,000 houses.

There are now many low-cost housing projects under way in Brazil. Five of the more important projects are: In Realengo, State of Rio de Janeiro, 14,000 dwelling units, of which 2,800 were inaugurated by President Vargas for occupancy in 1941 and the remainder have since been completed; Santo Andre, State of Sao Paulo, 2,000 houses, of which 300 have been completed; Osasco, State of Sao Paulo, where 5,000 houses have been built; Florianopolis, island capital of the State of Santa Catarina, where 200 houses have been completed and occupied and 200 more are under construction; and Vitoria, State of Espirito Santo, railroad terminal and port outlet for the iron-ore shipments from the Itabira mines, where 100 houses are being built.

Through the aid of the United States Government, which has extended priority assistance in obtaining manufactured materials, many units of the various projects are now nearing completion.

Realengo is undoubtedly the most efficient and interesting housing project of them all. Its efficiency is the result of the personal interest of President Cantanhede of the Institute, his first engineer, Dr. Lafayette Herminio de Freitas, and his aide, Dr. Sydney de Barros Barrato, who is in charge of a concrete-block plant in Rio de Janeiro.

Each house is approximately 22 by 22 feet in over-all dimensions, with a porch in front and a veranda at the rear, as well as a garden three times the area of the house. Each unit consists of a living room, two bedrooms, a kitchen, and a bath. All residences are provided with sanitary and electrical facilities, two conveniences heretofore enjoyed by only a small percentage of the workers. The entire project will house an estimated 25,000 people.

These houses cost about $525 each. Only $3 per month rent is required. This monthly payment includes amortization, making the tenant owner of the house in 20 years.

Mass Production Practiced

Modern mass-production methods are being employed in the construction of the Realengo housing development, and the buildings are erected in series. Specially trained crews break ground in one field, and by the time masons set the first row of 12-inch foundation hollow

BEFORE: Shabby, unhealthful huts.

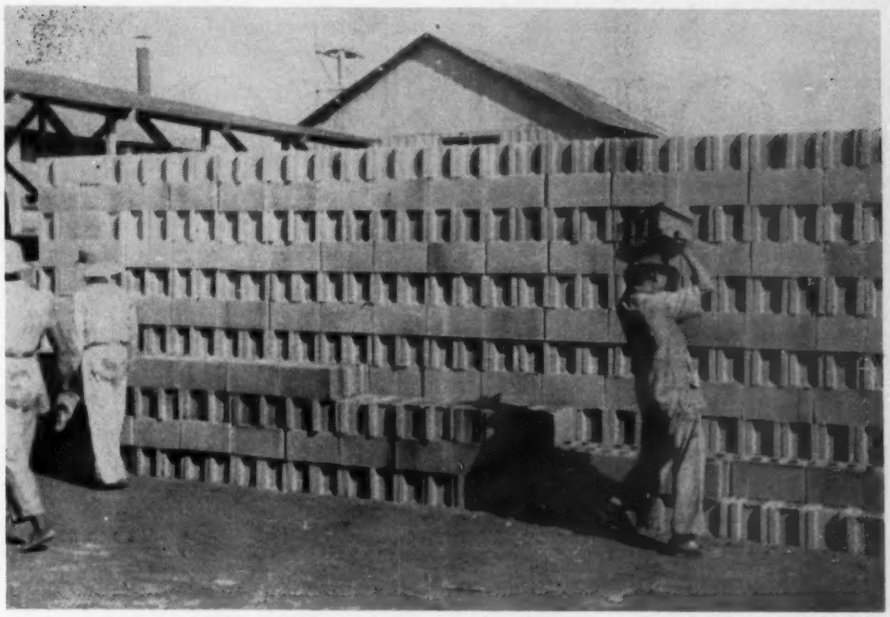
concrete block, the ground-breaking crew has moved on 25 feet away to start the next excavation. When this crew has broken ground for the tenth building, the roofing rafters are already being set in place on the first structure of the row. The roofs are sheeted with tile. Masonry work above the foundation is executed by a group of four concrete-block layers and three assistants who in 48 hours set 1,600 insulating hollow concrete blocks of various sizes to complete the walls of one of these two-family houses. Concrete blocks made of a 1-to-10 sand-and-gravel mix cost 5½ cents, U. S. currency, per unit.

Many housing developments in South America are built of concrete block, and such construction is growing in popularity. The use of concrete block and concrete sewer and drainage pipe has spread to many parts of the continent, and the use of concrete block in small housing projects has become a standard requirement in a number of the republics, because of the outstanding health and sanitary advantages. Panama, Argentina, Mexico, Venezuela, Chile, Brazil, and Peru use this type of construction material.

At the present rate of development of housing projects, some observers believe that 10 percent of the whole population of Brazil will benefit by the end of 1943 from these low-cost housing projects—30 percent by the end of 1946.

Hotels and Apartments

In addition to these housing projects, the Institute also has completed six major hotel and apartment houses. They are from 4 to 16 stories high, completely designed by the Institute's architects and engineers and erected by local contractors. These projects used reinforced concrete frames and concrete block walls. Lack of cement made it necessary to substitute clay brick on some of the projects, although the buildings were originally designed for concrete block. To meet the demand for concrete block, a plant in Rio employing United States equipment has heretofore been operating day and night for years. Only the lack of cement is now preventing continuous operations.



Courtesy Lee Ross

Concrete blocks, Brazil—one of the favorite building materials in that Republic.

Courtesy Lee Ross

AFTER: Attractive, healthful, inexpensive homes for Brazil's industrial workers.

Cement Situation

Wartime fuel shortages have retarded the continuous supply of cement. Seventeen years ago Brazil was importing 97 percent of its cement requirements amounting then to 400,000 tons a year. Now Brazilian cement requirements are more than double that amount, and this increase in annual cement consumption is the result of its phenomenal industrial growth. At present Brazil is believed to have a cement-manufacturing capacity almost equal to its requirements. It is still importing some cement from Argentina. It is estimated that in the 17-year period Brazil's cement industry has kept more than $70,000,000 in the country that might otherwise have been spent abroad.

An important factor in stimulating new construction was the decline in the price of cement that ran counter to the rising cost of living, beginning in 1933 and continuing up to 1941. Stability of cement prices also was an influence.

The cement industry is capitalized at about $8,000,000 and pays almost $1,000,000 a year in wages to some 3,000 workers. Indirectly, domestic cement contributes to the livelihood of 10,000 workers in allied industries.

The growth of the cement industry ran hand in hand with Brazil's hydroelectric power development. Annually, the cement industry uses more than 92,000,000 kilowatt-hours, which is equal to the combined annual electricity consumption of the cities of Belem, Fortaleza, Recife, Salvador (Bahia), Belo Horizonte, Niteroi, and Porto Alegre, with a combined population of more than 2,000,000.

Role of Concrete

As the cement industry developed, engineers recognized the possibilities of this

(Continued on p. 40)

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PORTUGUESE *Is Worth Learning!*

Language of Brazil and of a Far-Flung Empire, This Strong and Vivid Tongue Promises Practical Business Benefits to Students

By F. LAMONT PEIRCE, *Division of Commercial and Economic Information, Bureau of Foreign and Domestic Commerce*

"They speak our language"—or "They *don't* speak our language!" Grave issues often rest on the sharp prongs of these alternatives. As foreign traders in particular know, one or the other may spell the difference between achieved success and frustration's sting.

Until rather recently (one is compelled to acknowledge regretfully) certain other great foreign-trading nations of the world had a distinct "edge" on the United States with respect to general proficiency in the languages of their foreign customers and suppliers. We may not *like* the Germans, but we are obliged to admit that almost invariably their representatives abroad, commercial or otherwise, had a genuinely facile—not to say glib—command of the language of the country in which they operated. Of course there were occasional exceptions, such as the obvious Nazi whom the writer overheard in a New York cafe in the summer of 1941. He felt that he was being neglected, and, rising in his wrath, he bawled at the waiter: "I am here since 20 minutes—when do I become a veal cutlet?"

Foreign-Trade Benefits

More than most other persons, exporters and importers have cogent reasons to know that the ability to speak and read the language of a given people may well mean warm friendships, satisfying concord, consummation of mutual benefits, and paths made smooth for progress.

But the converse will probably have the opposite effect. Unfamiliarity with a people's language is likely to mean snags, entanglements, discomfiture.

These thoughts, of course, are truisms, but a growing realization of them, by the general public as well as by the foreign-trading community, lies at the very root of this Nation's mounting keenness for foreign-language study. It should certainly be the basis of our immediate and future attitude toward *Portuguese.*

World-Wide Importance

Portuguese is truly important in the modern world. It is the official language of great regions whose population today is in excess of 50,000,000. It is the language of the largest republic in Latin America (a country whose dynamic constructive forces are discussed elsewhere in this issue)—the language, too, of a European nation that is peculiarly significant and strategic at this moment, its possessions ranking third or fourth among the world's empires, with territories stretching across the map from the war-lashed South Seas to West Africa's hill country and from Mozambique's bazaars to "India's coral strand."

Production, business, trade, are active in every area of this Portuguese-speaking world.

Cogent Reasons for Study

Maybe you aspire to sell (soon or in the less definite future) clothing or toiletries or office equipment to the stores of Rio de Janeiro or Bahia. Possibly you have a commercial or diplomatic mission that will take you, by Clipper, over the Tagus estuary and down to Lisbon's airport, past the time-weathered buildings and colorful mosaics of the Portuguese metropolis. Conceivably, you may be concerned in a palm-oil deal that will mean a visit to the forests, the heat, huts, and fetishes of semi-primitive Angola.

Or are you in a service (shipping, commercial, or other) that may take you to the roadstead of Horta, in the once much-publicized Azores? Will you, in days to come, be interested in some product of Madeira, island famous for wine, handicrafts, honeymoons, and magnificent jagged crags? Have you perhaps been assigned to a supervisory job in connection with the ramifying rubber developments in the vast Amazon Basin?

In any one of these cases, you will unquestionably be greatly aided by some knowledge of Portuguese, the language that is spoken, written, read, in every one of the regions mentioned. In fact, *without* that knowledge you will be definitely handicapped. And you will almost certainly find, if the experience of others is a dependable index, that the study of this language, far from being at all onerous, is its own ample reward.

Slight Misinterpretation

Manufacturers and exporters desiring to develop markets through *advertising,* in many great areas of the earth, will assuredly be aided by at least a modicum of personal familiarity with Portuguese. A businessman possessing such familiarity would not have made the really ghastly blunder attributed some decades ago to a United States maker of harness. In those days when the horse counted for more than he does today, this manufacturer conceived the idea of spreading his advertising sales-appeal in the Portuguese-speaking countries. Unfortunately, he engaged a copy writer who knew little about harness—and *less* about Portuguese—to extol the many virtues of his "single-horse buggy harness." To the amazement (and side-splitting amusement) of the foreign customers, they eventually found themselves adjured, in the advertisements, to purchase a *Jaez cheio de persevejos para cavalo solteiro*—a "harness full of bugs, for bachelor horse." "Single-horse buggy harness" was indeed "translated."

Disproportionate Interest

Today, throughout the United States, there is quite obviously a strong "hemisphere-language" enthusiasm—a good-neighborly language fervor, commendable in the eyes of businessmen and governments as well as of scholars and booksellers. Spanish is getting a really tremendous amount of attention—most deservedly, because one need hardly say here that it is an inherently splendid

as well as a widely diffused language exceedingly useful in business. But Portuguese, it would appear, is the object of distinctly less interest. The respective percentages of students of these two languages are indubitably "out of proportion" to the essential importance of the subjects—and this despite the substantial advance of Portuguese in very recent months.

What are the reasons for the disproportion that has just been mentioned? There are several, but one in particular seems worthy of special scrutiny. The present writer is convinced that an insidious misconception is chiefly responsible for the relative retardation of Portuguese study—to the distinct detriment of optimum commercial effectiveness as well as of other interests.

To put the matter frankly: A regrettable impression seems to prevail, in too many minds, that Portuguese is, after all, just a "variant" of Spanish, and that a person who knows Spanish will be able to "get along" in a Portuguese-speaking country, either using his Spanish intact or employing it as a means with which to tackle blithely the "slight" problems of Portuguese.

Erroneous Impression

This belief, one may confidently say, happens to be essentially untrue. One can *not* readily "get by" with Spanish in Brazil. One will merely succeed, often, in seeming a bit absurd—to the accompaniment of varied embarrassments and defeats. If a person knows Spanish well, he *may* be able to read disconnected phrases in Portuguese (with the aid of quick, crude guesses), but, even in attempting to read, he will run into many stumbling blocks. There will be an abundance of words that he just *won't know*. His spoken Spanish, for the most part, will be incomprehensible to Brazilians or imperfectly understood by them. He will be able to understand little.

And if he tries to pronounce Portuguese according to the rules that he acquired for Spanish, the result will be—well, "futile" and "confused" seem as moderate terms as any.

No, Spanish will not serve where Portuguese is required. The languages are too different. Over the many long centuries, the original Latin (or occasionally Arabic) words and syllables have undergone too diverse changes, in the distinct nations of Spain and Portugal.

Many Words Wholly Different

It may be of interest to compare just a few words for common concepts in the two languages. We shall take them quite at random. The Spanish word for Tuesday is *martes*, the Portuguese *terça-feira*. The Spanish for peas is *guisantes*, the Portuguese *ervilhas*. Glove is rendered in Spanish by *guante*, while *luva* is the Portuguese word.

Morning dew is *orvalho* in Portugese—but it's *rocío* in Spanish. When Spanish-speaking peoples want to order lettuce they say *lechuga*, but the people in Rio and in Lisbon call it *alface*. In a living-room in Bahia, Brazil, a lady sits down in a *cadeira*—but in Buenos Aires it is a *silla*. It is needless to go on, since it is perfectly apparent that these Portuguese and Spanish words for identical concepts do not bear the faintest resemblance to one another. There are many hundreds of such instances.

Evidence Conclusive

The present writer well remembers sitting, a number of years ago, at an open-air cafe on the Avenida da Liberdade in Lisbon, Portugal. His table-companion was an American businessman, a buyer of raw material for one of the largest United States manufacturers of floor coverings, who had just come up to Lisbon from Andalusia in Spain, where he was accustomed to spend a considerable proportion of his time. This buyer had a thoroughly good command of the Spanish language, because this was made necessary by the demands of his business dealings.

But, as the shadows of the August evening grew deeper over the array of impressive buildings in Portugal's capital, he made the frank admission: "Do you know, I can't understand a *sentence* of spoken Portuguese!" In Portugal (in the cases where his "contact" did not speak French or Spanish) he conversed through interpreters. He candidly confessed his bafflement at the many wholly unfamiliar words, the distinctive pronunciation, the sound-suppressions and elisions (as they seemed to him) of the ancient language of the Lusitanians.

The proof here afforded seems wholly inescapable. That word "elisions," by the way, furnishes a key to one difference between the two Iberian languages. Certain sounds that are rather strongly stressed in Spanish are often very nearly imperceptible in Portuguese. One example is the final "e"—in such a word, for instance, as *patife* (scoundrel). You would scarcely hear it at all in the Portuguese sentence *Adolfo Hitler é um grande patife!*

Write, Speak Portuguese!

Those facts being admitted, one cannot but acknowledge that they have a rather vital bearing on specific aspects of, and common practices in, our inter-American commerce. Generous courtesy is a primary characteristic of Brazilians, but, when they are addressed in a language (Spanish) that is *not their own*, a reaction of annoyance or even resentment is readily understandable. They have their own language, which they love and admire—most justly—and they don't like to feel that other peoples don't know about it (to say nothing of making no rational effort to master it).

If a manufacturer in the United States thoughtlessly sends to a Brazilian a letter in Spanish, a tongue foreign to both of them, could the recipient be expected to be as favorably impressed as by one that was adroitly couched in correct, idiomatic, considerate Portuguese? How would a Czechoslovak merchant in pre-war Prague have felt if he had received a sales communication from France written in Polish (a Slavic language, to be sure, but one quite strange to him)?

Portuguese will indubitably be useful to the United States businessman in Bra-

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Some of the numerous persons who are now teaching Portuguese in this country. This picture, taken at the University of Vermont, shows graduate students and professors from a score of United States universities and colleges, assembled with the faculty chosen to teach them the Portuguese language in an intensive course.

SIMPLIFICATION *Makes Giant Strides*

With Many Foreign-Trade Routes Forcibly Breached, Sources Cut Off, Materials Curtailed, and Demands Augmented, Our Citizens at Home and Our Customers Abroad Now Get Fewer Styles, Sizes, Types of Goods

By the Office of War Information

THE AMERICAN HOUSEHOLD will have to get along with fewer colors, sizes, styles, and ornamentations in the things it buys this wartime year than last.

Plans are being made to maintain a supply of necessary equipment, and no drastic eliminations are contemplated at this time. But the simplification program laid down for 1943 covers a wider range of civilian goods than did last year's schedule, with resulting increased limitations on variety if not on quantity.

Thus, while it appears that the civilian will continue to have his basic needs fulfilled, there will be an increasing elimination of frills and style variations.

For the 1943 program for conservation of war-essential materials, manpower, and machines, about 1,000 items have been picked as candidates for possible simplification measures.

At least 50 percent of these would reach directly into the home (as many orders already do), affecting items ranging from the heater which supplies hot water for the family's morning shower to the bed sheets between which it sleeps at night.

From Cradle to Grave

Last year the percentage of household items affected by simplification was smaller—40 percent of all orders issued covered some 200 such products.

Even so they literally reached from cradle to grave. As a result of simplification, the new-born babe now rides in a carriage in which the iron and steel is limited to 9 pounds, while his great-grandfather is transported to the grave in a casket limited in length to 75 inches, in width to 22 inches, and in depth to 20 inches.

By the end of 1943, it is expected, all possible simplifications which make a major contribution to the war program will have been substantially completed.

Enormous Savings

Already tremendous savings in critical materials have been effected by orders covering the simplification and curtailment of consumer and industrial items. Typical are the following:

Steel	tons	600,000
Copper	do	17,000
Solder	pounds	35,000
Cloth	yards	180,000,000
Pulp	tons	227,000
Lumber	board feet	450,000,000
Tungsten	pounds	8,000

Equally significant as a war measure are the less tangible results in savings of manpower hours, reduction of inventory, and increased production. By eliminating 75 percent of the variety in manufacturers' lines, not only was production increased substantially in bottleneck industries, but also an estimated 15,000,000 man-hours were released for work on more vital war items.

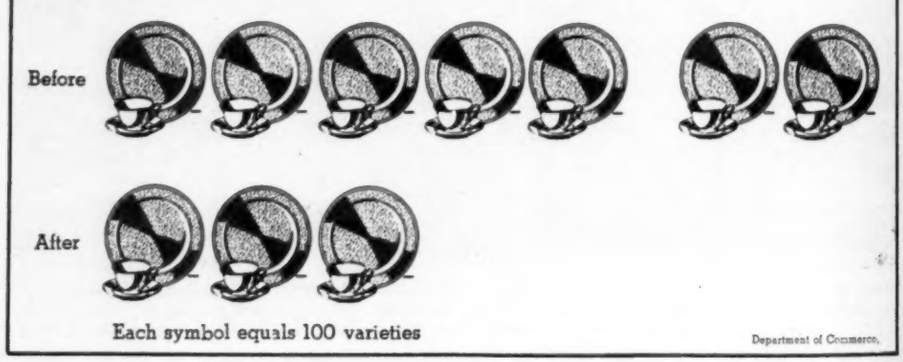
According to Howard Coonley, Director of the Simplification Branch, Conservation Division of the War Production Board, the 1943 simplification program will save thousands of carloads of transportation space, millions of square feet of factory warehouse space, will add to the country's stock pile of raw materials by reducing inventory requirements some 25 percent, and will augment the total productive capacity of the Nation's machines by 10 to 20 percent.

In the matter of steel alone, it is predicted that the 1943 simplification program will accomplish the equivalent of building new furnaces to produce some 5,000,000 tons of steel.

Consumer Goods Before the War

The year before war came to America, the goods which went into the home in the form of clothing and dress accessories, housefurnishings and equipment, food and transportation items consumed very sizable quantities of the metal resources of the country. Specifically, in proportion of the total year's output, they used:

	Percent
Aluminum	22
Copper	19
Brass	19
Zinc	20
Tin	23
Steel	30
Nickel	16
Chromium	15



Before the war, if an electric light bulb went out, choice of a new one could be made from 3,500 types in 32 different voltages and 14 different colors.

The well-equipped household might have boasted of 450 different enamelware items, and the handy man of the family could have filled his workroom with 1,150 varieties of hand tools. To keep the neighbors' dogs out of the Victory Garden, any of 100 different styles of wire fencing might have been used.

Variety was demanded by the consumer, and variety was given—at the cost of around 150,000,000 manpower hours. Additional millions of manpower hours were consumed in the production of machines, dies, and tools with which to make the items.

"Stop" Sign Flashed

Pearl Harbor flashed the "stop" sign on the free-handed use of materials, manpower, and machinery.

Sources of rubber, tin, and essential oils fell to the enemy. Sources of food supplies, chemicals, and minerals were made less available by the depredations of the submarine.

America was faced with the desperate necessity of retrenching, not only in essentials secured from other nations, but in those essentials indigenous to this country, supplies of which formerly outstripped demand. The demands of war production now far exceeded the supply.

Three Answers to Problem

One answer to the necessity was complete elimination, or the prohibition of the use of certain materials for certain goods.

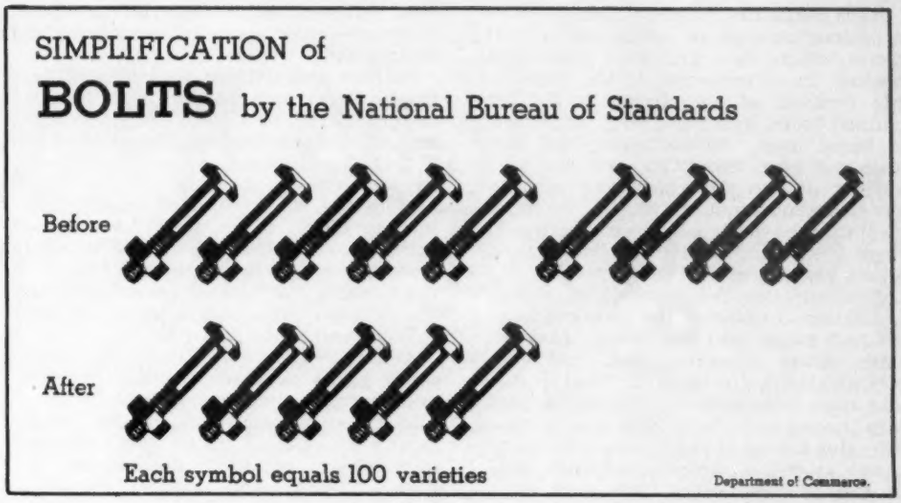
The home felt this in many ways, notably in the dwindling supplies or complete disappearance from the market of such things as aluminum cooking utensils, the mechanical refrigerator, silk stockings, and the washing machine.

Another answer to the necessity of retrenching was curtailment, or the limiting of the amounts of critical materials allowed to be used in consumer goods. Ice boxes, for example, were limited in their use of metal, first to 20 pounds and later to six, as compared with a former 85 pounds per box.

A third answer was simplification, and to *it* can be credited a considerable part of the results of the retrenchment program.

Simplification's Benefits

Simplification, as it is applied in the war program, is a procedure for eliminating unessentials from an item or a line of items. It reduces the number of items in a line and the variety of style, size, color, or ornamentation not actually necessary to the efficiency or usefulness of the product. In many cases it also involves curtailment of material and production, and in certain cases, notably glass containers, it amounts to standardization; for the elimination process was accompanied by a setting of the types that may be produced.



Housefurnishings and Equipment

Simplifications already accomplished in consumer goods cover practically every field connected with the home life of the civilian American.

Housefurnishings and equipment constituted the largest group of simplifications, as it did the largest group of the complete eliminations which preceded the simplification program.

Accomplishments in this group ranged all the way from reducing the length of household matches one-sixteenth and one-quarter of an inch, and thereby saving 7,000,000 board feet of lumber, to reducing the number of models of cooking stoves to one with a curtailed use of metal, and thus conserving 350,000 tons of iron and steel.

Today when the electric light bulb goes out, simplification has made it necessary to struggle along with a choice of 1,700 types instead of the former 3,500. Hitting the household hardest was the elimination of the 50- and 75-watt lamps. The former 14 colors were cut to 4—white, green, red, and blue.

This one simplification alone was responsible for the total saving of valuable tungsten, 8,000 pounds. In addition, it made available about 325,000 square feet of floor space which was turned over to the production of radio tubes for military use.

In his wartime workroom, the handy man now has his pick of but 357 tools, instead of 1,150, with which to do the job; while the fence around the garden must be erected from one of only eight types of wire, rather than the former 100 types.

"Casualties" Are Many

Simplification took a heavy toll of kitchenware. Cut to 12 of a former 200 items was cast-iron ware, now obtainable only in certain types of skillets, griddles, kettles, Dutch ovens, muffin pans, and flat irons.

Casualties in enamelware were 425 styles, including coffeepots, teakettles, colanders, and garbage pails. From galvanized ware were eliminated all household items with the exception of six: garbage pails and cans, wash boilers, fire shovels, pails, and washtubs.

Other house-furnishings items affected by simplification included:

WOOD FURNITURE: reduced to 24 basic patterns as of July 1.

ICE BOXES: limited to two models with an ice capacity of either 50 or 75 pounds and food space of 3½ or 5 cubic feet.

BLANKETS: limited in length to 84 inches and in width to 72 inches, except for white cotton sheet blankets which are limited to 95 inches in length. Colors were cut to a maximum of four plus white in each manufacturer's line.

RADIO TUBES: just about half the former types now being produced—349 of a former 710.

COOKING STOVES: limited to one type. Cover tops and lids are now minus iron and steel.

TOILET TISSUE: must be shipped collapsed and with a minimum of 650 sheets to the roll. Roll styles, now seven, formerly totaled 25.

HAMMERS: the peacetime 180 styles now cut to 46.

AXES: now 45 styles instead of 382.

HATCHETS: limited to 13 types from a former 62.

SAWS: cut to 210 types from 800.

GARDEN TOOLS: reduced to 129 items from 915 and limited to two, sometimes three, grades.

WAXED PAPER: limited to 12 inches in width in rolls containing not less than 125 feet.

WALLPAPER: only 60 percent as many new patterns are now allowed and but one width—19¼ inches to trim to 18 inches.

And anyone desiring a new padlock or cabinet lock will be limited in his wartime choice to 2,200 styles. In pre-war days, 27,000 varieties were available.

The savings accomplished by these simplifications in home equipment included almost 70,000 tons of iron and steel and more than 80,000 tons of paper stock.

Containers Affected

The family of two, accustomed to buying its processed foods in small-size cans, was affected most by the order which simplified tin-can sizes. The smaller size which held just about two servings was eliminated.

At the same time the order limited the foods which might be packed in tin cans for civilian use.

This particular simplification presents a curious paradox in savings of critical metal. More cans are being made and packed, in consequence of the increasing demand of the armed forces for canned foods, and more steel, therefore, is being used. Nevertheless, had can sizes not been simplified, and had this variety of can sizes been produced in the necessary amounts, 83,918 tons more steel than have actually been used would have been required for the packing of fruits, vegetables, and soups.

Simplification has resulted in standardization of many of the glass containers now going into the home. Jars for jams, jellies, preserves, and fruit butters, and bottles for wine, distilled spirits, and malt beverages are limited to certain shapes and sizes. This means considerable saving of machinery and manpower as well as greatly increased production of those other glass containers so badly needed as a result of the shortage of tin cans and other metal containers.

Fewer purchases made in retail stores will be delivered in paperboard boxes, because of the simplification order limiting the number of sizes—which resulted in production being cut one-third. Boxes for butter, lard, and margarine can be no smaller than 1-pound size, ice-cream boxes no smaller than 1 pint.

Paper Bags—and Tea Bags

The store purchases which do not arrive in paper boxes may not always have a paper bag quite suited to their size. Paper-bag sizes have been cut from 284 to 117. Even an item like this, however, rates high in the conservation of vital war material. Wood pulp weighing 80,000 tons, freight cars totalling 4,000, and a reduction in manpower hours of from 13 to 17 percent have been saved by this simplification.

Tea containers—those little paper or cloth bags designed to be dangled in a teapot or cup—have been simplified, too, into 2 sizes instead of their former 14. Now they must be packed to make either 200 or 250 tea balls to the pound. Before simplification, tea-ball sizes ranged from 125 to 300 bags to the pound. No particular saving results, but the tea supply is thus spread more evenly.

Of Shirt Tails and Juke Coats

Shirt tails, pockets, and nightgown ruffles all went into the simplification jackpot which yielded a bonanza saving of 180,000,000 yards of cloth to the war program. All this material was diverted to making more clothing, saving weaving machines from turning out extra cloth.

A dramatic sacrifice on the altar of simplification was the zoot suit, its "death knell" sounded by the order limiting the length of men's suit coats to 29¾ inches and trouser knee width to 22 inches.

The famous L–85 order limited many things in feminine apparel. Though the order provided for taking care of extra length where extra height required it, many knees suddenly appeared where none had been seen before. And hems, limited to 2 inches in depth, did not provide sufficient extra material to effect coverage—or so many tall younger girls complained.

Balloon and dolman sleeves were deflated; sweep around the hems became narrower, entirely ousting the full circular-cut skirt; jacket lengths, limited to 25 inches, caused the feminine version of the zoot suit, the juke coat, to disappear. Adding the elimination of unessentials such as hoods, capes, scarfs, and overskirts allowed from 15 to 20 percent more garments to be made from the same cloth. A recent amendment to the original order has also eliminated culottes and skating skirts.

And to conserve the supply of yard goods, paper patterns were also ordered to conform to the terms of L–85.

Men's shirt tails and pajama coats shrank by another order, and pajamas were shorn of such decorations as sashes, frogs, and pipings. Result: Enough material saved to produce 10,000,000 more shirts and 2,250,000 more pajamas. Lounge wear for both men and women was limited in length and sweep, and only one pocket was allowed.

Slips Lose Tucks

Women's nightgowns, slips, petticoats, and pajamas lost many of their ruffles, tucks, and shirrings—grew narrower, and in some cases shorter. Knit underwear is now made in only one-fourth of its former variety and will have none of the rayon striping which used to add to its decorativeness. This prohibition saves over a million pounds of war-essential rayon.

Trivia such as buttons, bartacks, and stitching received special attention in the simplification of men's work clothing, resulting in the saving of 150,000,000 buttons and 125,000,000 yards of thread. Limited also are the number of pockets, the depth of hems and cuffs, and the number of sizes that may be made. About 7,000,000 more garments can be produced by the savings effected.

Women's Work Clothes

With more and more women going into war production, their work clothes also presented possibilities of worthwhile savings. No rayons or printed fabrics may be used, and only five cotton fabrics have been assigned preference ratings for use in these garments. Types of garments that may be produced were limited to work dresses of wrap-around or coat style, work jackets, shirts, overalls, coveralls, slacks, and bench-type aprons, and plain or six-gored skirts.

There will be no flaps on pockets, no contrasting trim, no pleated, shirred, or tucked trim, no cuffs on sleeves or trousers when America's great production army of women gets into its 1943 "uniform."

Dress Accessories

Women's feet will be less gaily shod as time goes on. Only four shoe-leather colors may now be produced—black, white, army russet, and town brown. Heels may aspire to no more than 2⅝ inches in height, based on size 4B; metal nail heads or studs, ornamental leather tongues and bows, fancy overlaps and lacings are out, as are patent-leather shoes for men.

The rubbers and overshoes in the hall closet are now black only. Women may choose from three styles; men, six; misses, youths, boys, and children, two each.

Simplification of hosiery has been accomplished through the elimination of certain types of unessential stitching, the freezing of patterns and the limiting of colors, plus the standardization of women's full-fashioned and seamless hosiery. Savings of close to 15,000,000 pounds of cotton, rayon, and wool will result.

Umbrellas—Pins

To conserve 2,800 tons of high-grade carbon steel, the number and length of umbrella ribs were simplified. Ten ribs not over 20 inches long are allowed for women's umbrellas; 8 ribs 25 inches long for men's. Even more steel, 5,700 tons, has been saved by limiting to 2 inches or less the length of women's hair pins and bobby pins.

Basic Types of Luggage

Only seven basic types of luggage remain for the wartime traveler to choose from. Gone the way of care-free peacetime travel are cosmetic cases, fitted cases, gladstones, hat boxes, hat-and-shoe boxes, picnic cases, vanity cases, women's wardrobe cases, wardrobe trunks, kit bags, animal carriers, and several other types. The permitted types are expected to meet all the essential needs of service men as well as civilians and are as follows: furlough bags, overnight bags, nonfitted pullman cases, tray pullman cases, men's wardrobe bags, men's week-end cases, and foot lockers.

All permitted types are limited in size, and all-leather luggage is out for the duration.

Transportation Equipment

Automobile-traveling Americans used to have a choice of 100 different-size batteries. Simplification reduced that number to 17 and saved almost 16,000,000 pounds of secondary lead, over 17,000,000 pounds of primary lead, and over 1,250,000 pounds of secondary antimony.

Reduction of types of auto chains from 12 to 3 and of sizes from 22 to 4 has saved 21,000 tons of carbon steel and small quantities of molybdenum, copper, zinc, and tin.

The bicycle, to which many war workers and school students are taking in lieu of other transportation, comes in only two models—one for men and one for women. Children's sizes were eliminated by the provision that the minimum frame size be 20 inches. Tires are now limited to reclaimed rubber; iron and steel and certain other critical materials are prohibited in chain and skirt guards, stands, and luggage carriers. Savings total: Brass, more than 1,000,000

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War's Effect on Panama's Economy

By WARNER H. H. SCOTT, *American Republics Unit, Bureau of Foreign and Domestic Commerce*

THROUGHOUT ITS HISTORY, Panama's prosperity has been determined by the extent of commercial activity and the transportation of travelers and merchandise across the narrow neck of land on which the Republic of today is located.

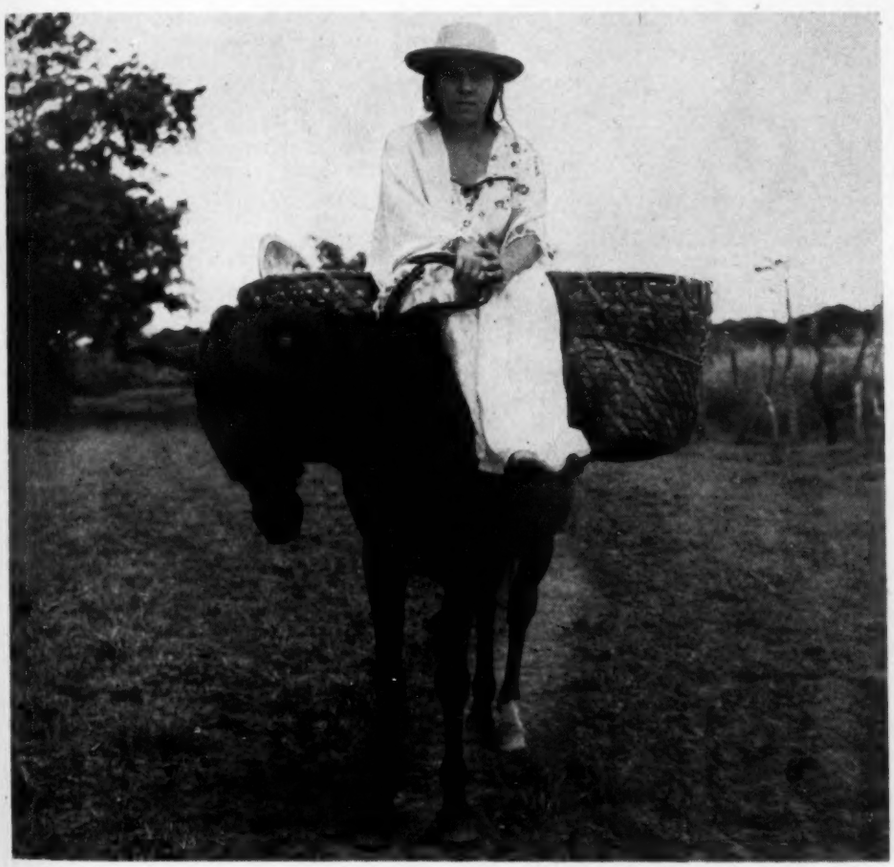
Since the days when the pack trains of the conquistadores transported the wealth of the Incas across El Camino del Oro and made Portobelo's fair the most important event in the Western Hemisphere, the general prosperity of those who have inhabited the Isthmus has thrived and languished in accordance with the fluctuations in its importance as a trade and transportation link. The construction of the Panama Railroad, the mule teams of the forty-niners rushing to the gold of California, the canal digging of de Lesseps and the French—each has brought to Panama at one time or another a heyday of prosperity and boom conditions; each has exerted its influence on the institutional development of the country.

Today it is the commercial activity generated by the Panama Canal which provides the Isthmus with its principal source of sustenance. So dependent is the welfare of the Republic on the activity in the Canal Zone that the extent of that activity serves very well as an index of the prosperity of the country.

Many Panamanian citizens derive their livelihood directly from the Panama Canal, from employment in one or another of the Canal Zone agencies. At the end of July 1942, it was estimated that approximately 40,000 or about one-third of Panama City's economically active population plus one-half of Colon's, were so employed.

Others engaged in businesses serving the tourist trade or the demands of the Canal Zone employees and of the American military and civilian personnel stationed there, although not so directly dependent, are nevertheless markedly affected by any change in the activity in the Canal Zone.

The inevitable result has been that Panama's economic development has not been a well-rounded one. It has been dependent on the importation of goods from other countries; even the most basic foodstuffs have had to be imported in large quantities. In the 3 years immediately preceding the war Panama imported an average of $33 per person per year. At the same time, the value of exports for these 3 years averaged $6 per person per year.



Courtesy Pan American Union

On the way to market, Panama.

War Accelerates Evolution

It is natural that a country so far removed from economic self-reliance should suffer severe disturbances in its economic stability under the disruptive influences of war. Furthermore, it is natural that such disturbances should tend to modify the basic structure of that economy. However, in Panama the pressure of the war has served more to accelerate the processes of economic evolution of the Republic than it has to alter the direction of that evolution. Most of the changes which have become noticeable since the advent of the war did not originate with Panama's declaration of war on the day after Pearl Harbor in 1941; they merely represent the further devolpment of already instituted trends.

The modifications in Panama's economy since the outbreak of the war may, for the most part, be connected with four major currents in the economic evolution of the country: the struggle for a degree of self-sufficiency in the basic agricultural necessities; the opening up of the interior through the expansion of transportation and communication facilities; the encouragement of domestic industry; and the growth of intercoastal trade. Only one of these, however, the growth of inter-American trade,

can be considered a direct outgrowth of the war.

Growth of Inter-American Trade

The several changes in the direction of Panama's import trade resulting in a phenomenal increase of inter-American trade between Panama and its neighbor republics during recent years have followed three or four general lines: first, the shift in trade from Europe to the United States between September 1939 and December 1941; then, the limitation of imports from the United States after Pearl Harbor; and, finally, the decline in imports from the Far East, particularly Japan, throughout the entire period.

Beginning at the outbreak of the war in September 1939, there was a shift to the United States as a source of supply for certain goods formerly imported from Europe: chemicals, optical goods, cement, builders' hardware, and iron and steel manufactures. The United States has always been the principal supplier of Panama's imports and the best market for its exports; so the change was relatively easy to make. During the first year of the war, the percentage of Panama's imports originating in the United States rose from 58 percent to 72 percent. In 1941, the percentage rose to 80 percent. At the same time the percentage furnished by Europe fell from 20 percent to 8 percent, and by 1942 only 2 percent of Panama's imports were European in origin.

Little disturbance to the country's economy was caused by this initial shift; no exchange difficulties, import restrictions, or surplus problems complicated the situation. The most noticeable consequence was the disappearance of European duty-free perfumes and other exotic products from the counters of shops catering to the tourist trade.

The second factor stimulating the increase in inter-American trade has been the decline in imports from Asia, particularly Japan. As early as 1938, the previous steady rise in imports from Japan had been broken. Panamanian buyers had already begun to recognize the poorer quality of cheap Japanese textiles, paints, and hardware and were turning to the better quality of higher priced American goods. In 1937, Japan furnished 14 percent of Panama's imports. In 1941, this figure had already fallen to 2½ percent, and, since Panama's entry into the war, imports from Japan have become practically nil. In 1942 they represented less than one-fortieth of 1 percent.

It was not until after Pearl Harbor that shipping difficulties really began to restrict American imports. With the entry of the United States into the war, our percentage of imports began to decline. Expansion of Canal Zone activities so increased the demands that, although the United States sent considerably more goods to Panama in 1942 in terms of value than in 1941, the percentage of United States participation decreased from 80 percent to 76 percent. As priorities and shipping difficulties began to curtail imports, certain commodities—notably automobiles, tires, and building materials—were in such short supply that some dealers in these goods voluntarily discontinued operations for the duration.

Percentage of Panama's Imports by Area of Origin—1939–42

Area	1939	1940	1941	1942
North America	58.5	73.4	80.6	76.9
Europe	20.1	7.8	4.0	2.2
Asia	13.0	11.2	4.2	.1
Central America and the Antilles	5.0	5.2	8.0	13.4
South America	2.0	2.0	2.6	7.2
Other	1.4	.4	.6	.2
Total	100.0	100.0	100.0	100.0

Early in 1943, when imports were further restricted by the reduction of shipping space allowed Panama, considerable anxiety was caused lest complete disruption result. Some relief was offered, however, by the institution of Decentralization Plan "A" on April 1, 1943. Under this arrangement Panama has the privilege of deciding what imports from the United States will be allowed within the shipping space allotted to the Republic.

Trade With Latin America

The net result of the loss of first Europe and then Asia as sources of supply, and finally the restrictions on the amount obtainable from the United States, has been a very rapid rise in the importance of Latin American sources of supply for Panama, particularly Mexico, Colombia, Ecuador, and Costa Rica. In 1939, Panama obtained only 5 percent of its imports from Central America and the Caribbean area; only 2 percent came from South America. In 1942, however, it was receiving more than 20 percent of its imports from these areas.

The greatest increase has accrued since the United States entry into the war. Mexico rose from the 19th position in 1941 to third in importance in 1942; Colombia rose from the 14th position to the 6th position; Argentina and Cuba occupied 4th and 5th places, respectively. From nearby Latin American countries, Panama's imports ranged from 6 to 60 times the value of imports from these countries in 1930. Thus were much-needed foodstuffs—rice, potatoes, sugar, cattle—and hides and skins obtained.

Courtesy Pan American Union

Painting pottery, Panama.

However, the goods that Panama has been able to import from its neighbor republics have not nearly equalled the amounts that it used to obtain from Asia, Europe, and the United States. The demands left unsatisfied have now further stimulated the long slow struggle for a greater degree of self-sufficiency.

Progress in Agriculture

The origins of this struggle may be noted in the interest in agricultural development exhibited as early as the second administration of Dr. Belisario Porras, immediately after the First World War. At that time the National Assembly authorized an agricultural economic survey to ascertain the need for an agricultural bank to make loans to the farmers of the Republic. The agricultural colonies of the Harmodio Arias regime formed at Capira and Paja during the depression are direct predecessors of the agricultural colonies of today. Families chosen from among the unemployed were moved back to the farm and furnished seed, land, and limited financial aid. Blooded stock from Puerto Rico was imported by the Government to improve the native breed.

However, the progress of the Republic toward self-sufficiency even in the basic food necessities was very slow and spasmodic until the stimulus provided by the Second World War hastened its pace. Dependence on external sources for food supplies had seemed sound enough under normal conditions; there was no great impetus to force the development of a more balanced economy.

Agricultural production has consisted in low yields from a small variety of crops. The exodus of farmers to the urban centers and the Canal Zone to accept the steady employment at better wages offered there further diminished the supplies; at the same time, consumer demands were steadily augmented by the enlargement of military and naval personnel in the Zone.

Courtesy Pan American Union

Near San Carlos, Panama.

The danger of a severe food deficiency with actual suffering resulting has made the country very aware of the weakness of its position. Although it has evoked more anxiety than actual discomfort, the occasional temporary absence from the market of flour, butter, meats, and other items, and the frequent meat shortages in Colon during March and April have served as reminders of the necessity for agricultural expansion.

Under this stimulus, Panama has become agriculturally minded and, especially since the advent of the present administration, the Government has taken the initiative in agricultural planning. A program to increase production of rice, coffee, sugar, potatoes, corn, beans, and other vegetables and crops for which the soil and the climate are suitable has been instituted. Areas have been cleared for planting, and, in the interior, where the long dry season hinders year-round production, some irrigation projects have been set up by the Government.

Through the Institute of Inter-American Affairs, the Government established an experimental irrigation project in the Chitre area which is designed to evolve into a large-scale vegetable-producing region and which will be used to demonstrate the great variety of food crops that Panama can produce. The institute furnished necessary implements, seeds, and other facilities.

Farmers are offered various inducements to return to the land. On April 8 the National Assembly, in an effort to promote farm colonies, approved a bill permitting homesteaders to occupy Government land tax-free and after 2 years, to secure title to the land they have been working. Furthermore, a liberal amount of financial aid was extended, and certain items such as tools, seeds, livestock, fertilizers, insecticides, fungicides, vaccination serums, were allowed to enter the Republic duty-free.

Further assistance has been offered in the form of price stabilization and aids in marketing. The potato growers of Boquete and El Volcan, Panama's major potato-growing area, have been guaranteed a price for first-class potatoes; moreover, the Government offers to deliver the crop to Panama City at a set price per quintal.

Coffee production has been promoted by the installation of two modern coffee toasters in an up-to-date toasting plant by El Banco Agro-Pecuario e Industrial. Panama's coffee ranks among the best grown in the world.

An effort has been made to find new crops for Panamanian farmers. The Ministry of Agriculture and Commerce recently announced an experimental project providing for different types of cotton to be planted in various agricultural areas to determine whether cotton can be grown in the Republic and, if so,

Courtesy Pan American Union

Transport in many parts of Panama is slow.

533857—43——3

which varieties will be the most satisfactory.

Mechanization of the Farm

Another important aspect of Panama's agricultural program is the plan to mechanize the farm. Most native agriculture has been carried on in Panama by small peon-type farmers cultivating the land in a very primitive manner with hand tools—machetes, hand plows, and similar equipment. It was recognized that better agricultural methods and equipment would have to be adopted before any appreciable increase in farm production would result. Therefore, in late 1941, $325,000 worth of agricultural machinery was ordered from the United States. In preparation of its arrival, the Government sponsored educational rallies and lectures; short courses covering irrigation and drainage, agricultural mechanics, land surveying, and rural construction were organized. The program found the rural population responsive, ready and willing to learn the new methods and to apply the new techniques and otherwise to cooperate in the food-production movement.

Unfortunately, however, by reason of the difficult priority and shipping situation, the United States was unable to deliver promptly the machinery ordered. Not until December 1941 did the first consignments arrive; even to date it has not all been received.

Rice Production

Nevertheless, the Government's efforts have produced some encouraging results. Established farmers intensified their efforts, and the yield of several crops, including rice and corn, were substantially higher than in previous years.

Rice ranks high in the Government's program. One of the staple foods in the average Panamanian's diet, it is the principal money crop for the small farmer. Before the war, the Republic was in the habit of importing between 7,000,000 and 8,000,000 pounds of rice annually to supplement its production; 85 percent of these imports came from China and 10 percent from Ecuador.

To rid itself of this dependency on foreign sources, Panama has given increasing aid to Panamanian rice-growers. Rice mills have been built and operated by the Government in the rice areas; prices have been stabilized and financial aid has been given.

Over 80 percent of the rice grown in Panama is raised in the three Provinces of Los Santos, Chiriqui, and Veraguas, where nearly 44,000 hectares (more than 100,000 acres) is given over to its cultivation.

The results of the program have been most gratifying in the increase in rice production. During 1942, these three Provinces produced 112,000,000 pounds of rice, enough to satisfy the ordinary consumer demands for the entire country. Production throughout the Republic was 42 percent greater in 1942 than in 1941, and, for the first time in its history, Panama will not be dependent on outside sources for this staple. In October 1942, because of the very large surplus produced, importation of the grain was prohibited.

Corn Production

Corn is less important than rice in the Panamanian economy. Nearly 34,000 hectares (over 80,000 acres) are cultivated with this cereal. Less corn than rice is produced, but less is consumed; so the Republic has been relatively self-sufficient. Nevertheless, increased corn production has become necessary in order to keep pace with the growing demands.

In 1942, Panama produced 777,347 quintals of corn, an increase of 42 percent over the 1941 crop. Over 80 percent of this production was grown in the three major agricultural Provinces of Veraguas, Chiriqui, and Los Santos. No corn imports were listed in the 1941 or the 1942 statistics, but the 1939 figures revealed that a small amount was obtained in that year from the United States.

The Ministry of Agriculture and Commerce recently announced that it intends to build eight additional granaries, strategically located throughout the interior, in which farmers might store their corn and other cereal crops. Three are already in use, but present storage facilities are inadequate to take care of the larger harvests.

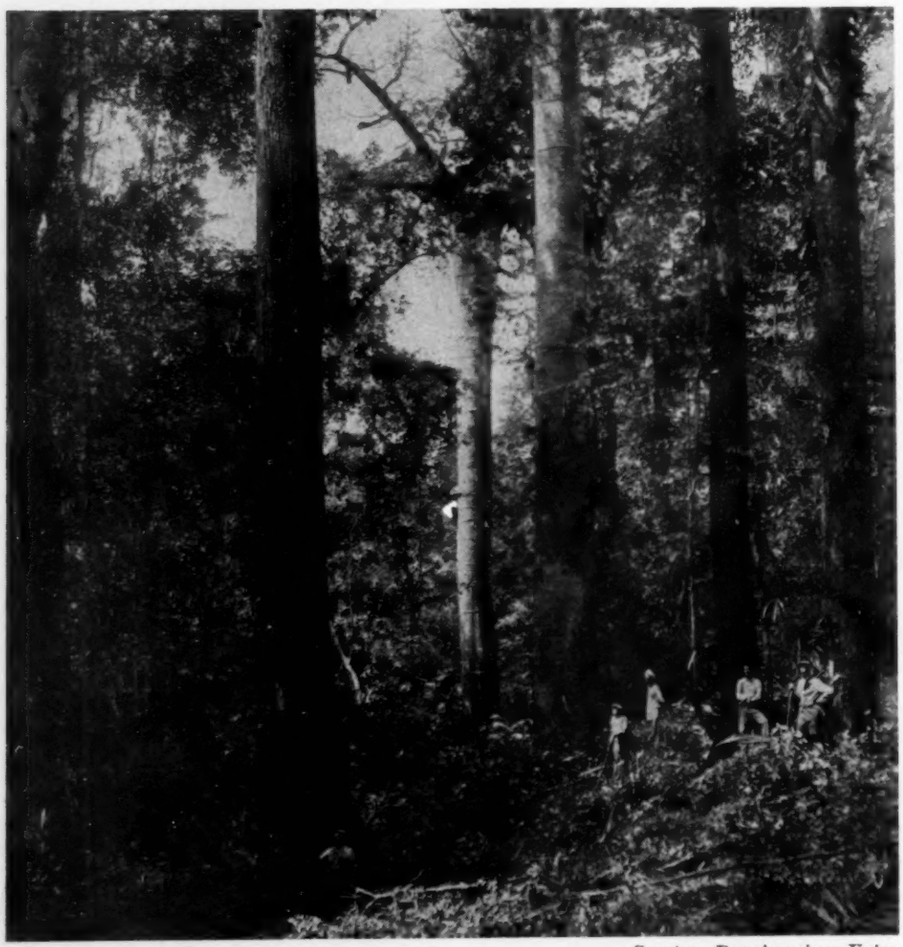
Beans and Cassava

Increases in production of beans and cassava have also resulted from the Government's program. Cassava is a plant used to make tapioca flour and bread. Thirty-two thousand acres throughout the Republic are devoted to its cultivation, but Los Santos and Cocle produce two-thirds of the crop. In 1942, cassava production showed an increase of 45 percent over the 1941 crop.

Most of the beans produced in Panama are raised in Veraguas and Los Santos, which furnish 43 percent and 23 percent of the Republic's production, respectively. Seventeen thousand five hundred acres are given over to bean production.

Poultry

The importance assigned to poultry and livestock production has made it an essential feature of the plan to diversify farm production. Poultry has been regarded with particular attention because of the rapidity of its growth and the value placed on production of eggs.



Courtesy Pan American Union

Mahogany and "quipo" trees in the interior of the Republic of Panama.

The Government has been importing baby chicks and distributing them to farmers at the rate of over 500 per week. More than 20,000 had been so distributed at the end of 1942. As a result, Panama now has over a million chickens, 40 percent of which are located in Los Santos. Chiriqui and Veraguas each have 18 percent. An average of 90,000 eggs are produced weekly.

Livestock

Cattle raising is one of Panama's more important industries insofar as national wealth is concerned. Along the level grassy plains on the Pacific coastline in the Provinces of Cocle, Los Santos, Veraguas, and Chiriqui, extensive lush savannah lands provide excellent natural pasturage for the animals. In this area 90 percent of Panama's cattle are to be found.

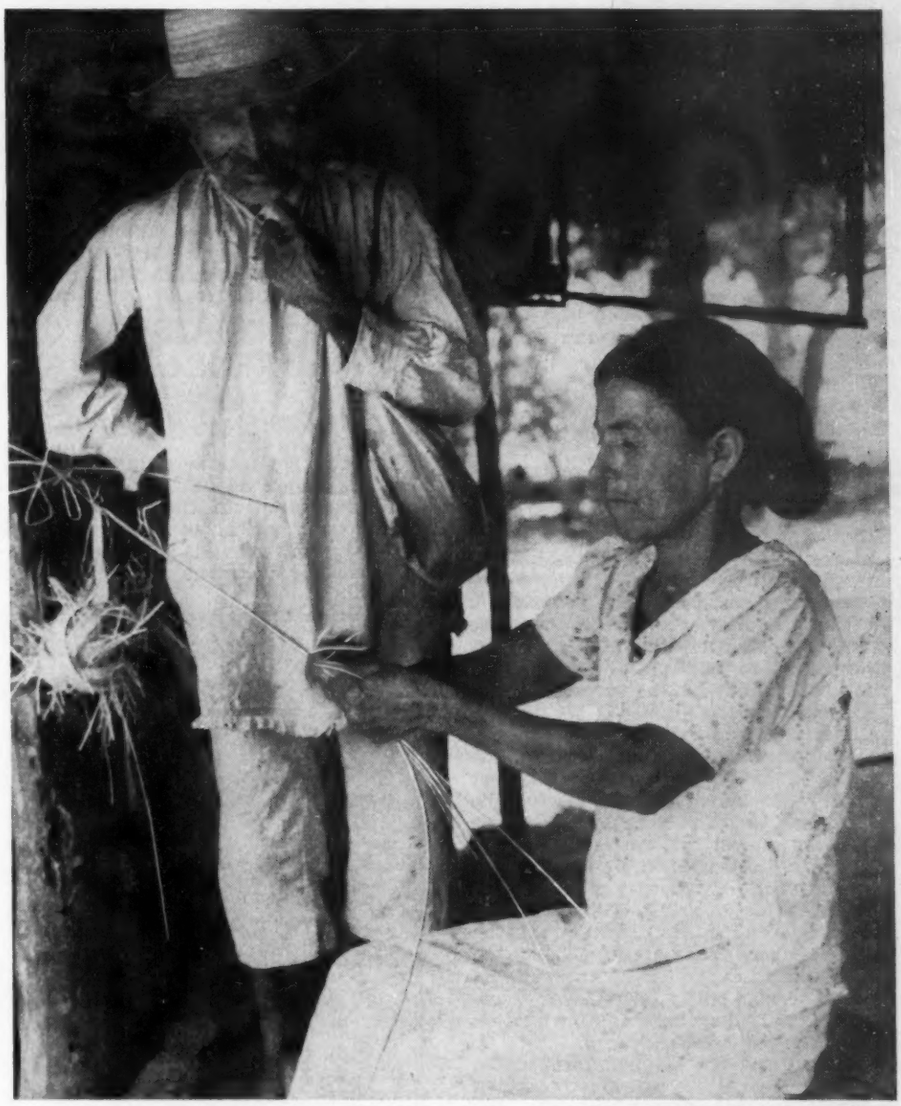
The Government has taken considerable interest in the cattle industry, particularly since the war. Importation of pure-bred cattle is favored; vaccine stations and germicidal baths to rid cattle of disease and pests have been established; money has been lent to cattlemen through El Banco Agro-Pecuario. The success of the Government program was demonstrated by the Agriculture Census of June 1942, when 333,960 head of cattle were counted—twice as many as in the census of 1938.

The Banana Industry

The banana industry has been Panama's major war casualty. The transfer of refrigerated boats from banana transportation to uses considered more essential to the war effort has resulted in a drastic reduction of banana exports and considerable confusion in the industry. Exports have become completely dependent on the shipping situation and the cargo space available. In those months when shipping has been available, exports have risen to record heights; in months in which shipping facilities were extremely limited, exports have fallen to record lows.

The independent producers were the first hit by the unstable situation. Most of their marketing has been done through the large companies, who bought the output of the small growers to supplement their own supply. When European markets were cut off by the war, and the United States outlet was greatly reduced by the shortage of cargo space, large operators were able to meet the demand out of their own production. Despite this fact and even though it had been discarding practically all bananas purchased from independent operators, one major company continued to buy from them for many months. In late 1942, however, it was forced to cancel its contracts.

A further result of the drastic reduction of banana exports was the abandonment of 12,000 acres of banana plantations. On the portion being maintained in production, spraying and irrigation are being continued, but the application of fertilizer has been stopped. It is possible that this abandonment may work permanent injury to the industry, inasmuch as the plantings there are very susceptible to Sigatoka and Panama disease; and if neglected for many years, they may be destroyed.



Courtesy Pan American Union

Panamanian peasants weaving bast, the inner bark of plants.

The major areas of banana production for export are in the districts of Baru and Bugabe in the Province of Chiriqui. Approximately 27,500 acres were in production in May 1942.

Many alternative uses have been proposed for the banana: banana flour, banana coffee, banana loaves, or the manufacture of alcohol needed in the making of certain strategic materials.

Abaca Development

The abandonment of banana production has not resulted in a total loss. Many of the plantations have been turned over to the raising of abaca fiber, the source of manila rope. As early as 1928, when the ravages of Panama disease in the Bocas del Toro area forced the banana industry to move to the Pacific coast, the large American fruit company operating there had experimental plantings of abaca in the Changuinola Valley. The development remained in the experimental stage, however, until the outbreak of war and the invasion of the Philippines focused attention on the project. Although the program has advanced with great speed, the trade has not yet been of sufficient volume to compensate completely the loss of the banana trade.

Ground has been cleared for 10,000 acres, and eventually the plantings may aggregate 30,000 acres. The Panama product has been shown to be just as good as and, in some respects, superior to the Far Eastern product. Furthermore, the first harvests indicate that a much higher yield can be obtained from the Isthmus than from the pre-war sources.

(Continued on p. 44)

News by COUNTRIES

Argentina

Exchange and Finance

Exchange Developments.—The issuance of Argentine decree No. 148,263 on April 20 brought to a close the flurry in the exchange market which had started late in March. This decree subjects the international movement of funds, as well as funds in Argentina belonging to persons resident abroad, to the control of the Central Bank. Capital movements are to be authorized without restriction when the funds are for investment in agriculture, commerce, industry, or communications. The Bank has full authority to require sworn statements from all interested parties. Heavy fines of up to 10 times the amount of the transaction can be imposed for a false declaration.

Both long- and short-range factors led to the recent unsettlement in the exchange market. Among the former probably the most important were the following: (1) The foreign-trade balance has shown an excess of exports for a long time; (2) there has been a tendency for foreign capital to flow to Argentina for several years. Much of this has been floating capital; (3) the supply of exchange originating in exports at the special export (Corporation) rate has been constantly increasing, while the sales of this exchange at the auction rate have been decreasing.

Undoubtedly the Central Bank could have maintained the previous rates had it considered it advisable to do so. Apparently the Bank decided to permit the exchange value of the peso to rise, as a deflationary measure, confining its intervention to preventing a run-away market. When the exchange differences began to widen, holders of dollars hastened to sell, floating capital was attracted, and foreign buyers of Argentine products began to finance as much of their peso purchases with dollars as they could. The Central Bank's action, in other words, served chiefly to keep under control the operation of these short-term factors in the market.

As a result of decree No. 148,263, the Central Bank now has authority to control both the importation and exportation of capital, and consequently, can control to a large extent the exchange rate. It is believed that an attempt will be made to keep the rate at somewhere around 4 pesos to the dollar unless the continuation of heavy excesses of exports over imports makes this task too difficult.

Decree No. 148,263 of April 20 was implemented by circular No. 333, issued by the Central Bank on May 12. The declared objective of the decree was to provide a satisfactory means for the control of floating capital, and to that end such funds from all Western Hemisphere countries are blocked and subject to general licenses, which will be in the form of bank directives.

Barbados

Economic Conditions

Business conditions in Barbados were generally good during April and compared favorably with those of April 1942. Money was plentiful, and stores were well stocked with foodstuffs and drygoods.

Harvest of sugarcane reached the final stages by the end of the month, but enough cane remained on hand to assure a few more weeks of grinding. The season has lasted longer this year because only the dark crystal factories are operating and, since no molasses is being made for export, molasses factories are sending their cane to the sugar mills. Official reports indicate that the young cane crop is one of the finest ever seen at this time of the year.

Picking of the current cotton crop has not been concluded, but indications point to a poorer yield than in the preceding cotton season. For the fourth consecutive season pink bollworms have not been detected. The government factory to process cassava flour is expected to begin operations early in June 1943.

The Cover Picture

Looking at Rio

Our cover picture — furnished this week by the Office of the Coordinator of Inter-American Affairs—embodies an exceptionally fine view of a city that is distinguished, as a recent writer has said, by "breath-taking beauty," with "miles of parklike boulevards and scenic highways, parks, praças, and grandiose palaces and public buildings."

That writer, Vera Kelsey, adds (in her book "Seven Keys to Brazil"): "To realize Rio's full beauty, one must *see* it, as only the *eye* can register the intense movement of the mountains, like tumultuous waves caught in the moment of pause before breaking, and the varieties and qualities of color in forests, harbor, sea, lakes, and skies that change as the city follows the shorelines of Guanabara Bay or Atlantic Ocean, winds through valleys or mounts the slopes. At night when millions of lights prick the subtropical darkness, their separation from the waters defined by loops of the 'Golden Necklace,' Rio's splendor enters the realm of fantasy."

Brazil

Economic Conditions

In terms of a war economy, business conditions were good during May. Industrial operation was curtailed only slightly by shortages of raw materials, and production was higher than in the corresponding month last year. Electric-power consumption rose, the largest increases being in the meat-packing, chemicals, and cold-storage industries, with decreases in cement plants, glass factories, and oil mills.

The fear of impending shortage has caused excessively large sales in some commodities, although transportation difficulties in outlying sections of the country have hampered the normal movement of supplies.

Prices are substantially higher, partly because of the large export balance and the increase in the budgetary deficit arising from accelerated war expenditures. To meet the higher prices, a decree was issued on May 11, 1943, providing for industrial workers temporary additional wages, ranging from 10 to 33 cruzeiros per month, depending upon the locality.

Inadequacy of Coastwise Shipping Facilities

One of the most notable economic developments was the taking of a census of consumers at Rio de Janeiro in preparation for the rationing of foodstuffs. Sugar was the first commodity subjected to rationing, but it is expected that the measure gradually will include others. The sugar shortage in southern Brazil is entirely a result of inadequacy of transport facilities from Pernambuco in northern Brazil. Press editorials recently have charged that this lack of coastwise shipping, which is the only commercial transport medium between the two sections of the country, is due to inefficient disposition of the space available; the Brazilian Coordinator of

Economic Mobilization has lent his support to an effort effectively to employ the shipping space for only essential commodities.

Distribution of Raw Materials

A further move has been made to assure that the raw materials arriving in Brazil reach the most essential users. According to instructions from the Coordinator of Economic Mobilization, imports of tin plate, caustic soda, and soda ash cannot be cleared from the customs except under the authority of the special assistant to the Coordinator. These commodities are among those in which shortages have been most crucial.

Agriculture

The cotton market was firm and slightly above the Brazilian Government loan level of 66 cruzeiros per arroba of 15 kilograms for type 5 lint cotton. During May there was a rising tendency. On May 15, 1943, type 5 was quoted on the Sao Paulo cotton exchange at 71.50 cruzeiros for spot, against 67.50 cruzeiros in the earlier days of the month. This compares with an average spot quotation of 57.10 cruzeiros in May 1942, and 40.36 cruzeiros in May 1941. Recent estimates indicate that the crop currently harvested in Sao Paulo will reach 350,000 metric tons, against 282,000 tons last year. It probably will be the second largest crop in Sao Paulo, only exceeded by the 1940–41 crop of 381,000 tons.

Purchases of coffee under the agreement between the United States and Brazil have begun. The market has been firm within a narrow range of prices. The current Sao Paulo coffee crop is estimated in trade circles at 9,000,000 to 10,000,000 bags. Port stocks at Santos and Rio de Janeiro at the end of April 1943 were 2,170,000 bags.

Construction Activity

Building work in general continued at a brisk pace, although the number of permits is diminishing. Capital is abundant, and there is a profit incentive for civil construction, but war conditions have curtailed available materials. While *nearly* all necessary structural and finishing materials for a completely equipped building are of domestic production, some of this material has to be imported, and importation is uncertain. Moreover, the demand of the Army for special types of steel has cause reduced production of steel reinforcing bars.

Credits and Collections

Credit and collections in the entire country are reported easy and good. Transportation difficulties have retarded delivery of goods, and payments are delayed until the merchandise is received, but this in turn has contributed to a more rapid liquidation of accounts when the goods arrive, so as not to delay subsequent shipments.

Wartime
Shortcuts and Savings will
Pay Profits After the Victory

Exchange and Finance

Foreign Exchange.—Brazil's exchange position continued to strengthen during the first part of 1943. Its total gold reserve on April 30 was valued at US$142,878,315, compared with US$115,113,761 at the end of 1942. There has also been a parallel expansion in holdings of foreign exchange, the Banco do Brasil's balance with its foreign correspondents on March 31 being as follows:

	Cruzeiros
Due from correspondents abroad	3,207,589,521.70
Due to correspondents abroad	392,183,597.10
Balance on March 31, 1943	2,815,405,924.60

During the latter part of April and the first part of May, exchange rates remained steady, with the exception of the Argentine peso rate which adjusted itself to the dollar-peso rate. The Banco do Brasil's dollar quotation during this period remained constant at the following rates:

	Cruzeiros
Official exchange:	
Buying	16.50
Free exchange:	
Buying	19.47
Selling	19.63
Special free exchange:	
Buying	20.00
Selling	20.50

British West Indies

Economic Conditions

Situation in Trinidad and Tobago

Planters of sugar and cocoa now expect small crops, as a result of too heavy rains in May 1943. Food production continues fairly satisfactory, but efforts are under way to increase it in the coming months, and the government is considering rationing of a few food staples. Deliveries of copra from the congested railway storage depots, in early May, made available material for edible-oil manufacture and relieved the previous shortage of oil.

April 1943 exports of cocoa and coffee showed declines, compared with exports in April 1942. Sugar and tonka-bean exports increased. The increase in sugar exports was made possible only by unexpectedly available shipping at Port-of-Spain; shipments will probably not continue on the same scale.

The petroleum industry maintains capacity levels, and other small industries continue to produce almost entirely for domestic consumption, which has increased in direct proportion to the rising population and higher-wage scales that have featured the past 18 months. Ordinance No. 16, passed in May, obliges all persons with more than $4,800 of insurable goods to take out war-risk policies at fixed rates. Noninsurable

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, and speeches]

Thoughts on Raw-Material Substitutes

Satisfactory substitutes for almost all raw materials exist, if the *price* of the substitute is not a consideration. When a mineral is said to be essential to industry, underlying qualifying assumptions may often be unrecognized: (1) a mineral may be essential to the production of the *most* satisfactory type of product or (2) it may be essential to successful *commercial* competition in the world market. If a less satisfactory product can be made cheaply enough, the substitute may usurp the place of the better material.

Pound for pound, aluminum is nearly as good a carrier of electrical power as is copper; although normally it is not used for this job, hundreds of miles of aluminum cable were purchased during 1929 and 1930 when aluminum was cheaper than copper. Such substitutions have an obvious effect on the price structure.

The second tacit assumption stated above is illustrated by the canning industry of the United States. Here most of the tin is used as tin plate in preserving food in the well-known "tin can." Other containers might be used, but none would be as economical and satisfactory as the tin that is available at 50 cents a pound. However, when a housewife cans vegetables or fruits, she generally uses glass jars rather than tin cans.

Sometimes technologic improvements or new inventions create an entirely satisfactory substitute that is economical. If the substitute can be produced at a sufficiently low price, it may largely displace the natural raw material. This was true when synthetic nitrates were successfully developed and substituted for Chilean nitrates. We may expect a substantial reduction in the amount of tin used in normal times by the canning industries if the use of frozen food increases.

Whenever the price of a raw material is maintained at a high level or there seems danger of a scarcity developing, much time and money are spent on the search for satisfactory substitutes—usually with ultimate success.

{From "Minerals in World Affairs," by T. S. Lovering. Publishers: Prentice-Hall, Inc., New York City.}

goods include semimanufactured and scrap metals, asphalt, petroleum, livestock, food crops, and cement.

The general living-cost index rose 1 point, standing at 180 on May 1 (based on year 1935=100). Food prices rose 1 point, clothing 3 points. The government railway has increased passenger and freight fares, has canceled Sunday passenger service, and is attempting, with difficulty, to find additional labor.

Situation in Jamaica

Business activity in Jamaica during May 1943 showed a decline, as compared with the preceding month. The decline was seasonal, however, and also reflected the lack of sufficient merchandise to consume excess money in circulation.

The index for food in May 1943 stood at 141.51, comparable with 100 in 1939. Rents rose 2 points and have now reached 114, or 14 percent above the 1939 basis. Fuel and cleaning items have remained fairly stable at 162.05. The final May figure for the whole category is recorded at 163.94.

Large numbers of fish—an important foodstuff at this time, especially among the lower classes—have been destroyed recently in the inland waters of Jamaica. The latest incident occurred in Dawkins Pond, a well-known spawning ground for fish on the western side of Kingston Harbor. It is believed that the fish had gone to the pond to spawn and were caught by a poisonous waste, known as "dunder," from the sugar factories in St. Catherine, flowing into the irrigation system and from there into the shallows of Dawkins Pond.

Although the low-cost housing program was curtailed because of lack of materials and equipment, a fair amount of construction continues. Local industry has been stimulated by the restriction on imports resulting from lack of shipping, and by import and export controls, and the consequent employing of local labor has increased the colony's spending power.

Sporadic strikes occurred on some sugar estates; a large number of strikers were arrested and fined for striking on essential defense pojects. Some lessening in unemployment has followed the special work undertaken by the Government to relieve conditions. The recruiting of 9,500 agricultural workers for farm work in the United States is completed.

To conserve essential materials and reduce motorbus service, the local authorities have proposed an experimental scheme whereby a limited number of private car owners residing some distance from Kingston will be granted certificates of essentiality, provided they agree to transport, free of charge, a capacity load of passengers from their immediate home vicinity to Kingston and to take the same passengers back after office hours. The names of the passengers must be furnished upon applying for such certificates.

Where Haste *Saves* Waste

If every British tramp ship could have a speed of 15 knots, a 50 percent cut in ship production would be possible, says the secretary of the British Admiralty in a statement quoted by the British press.

The proportion of fast ships is probably far greater than it has ever been in the history of the shipbuilding industry, he says, and about one-third of the ocean-going vessels on order and under construction in Great Britain are in the higher-speed category.

Arguments against the construction of faster merchant ships rest solely on the consideration of lack of production facilities.

Canada

Wartime Commodity Controls

New Orders Call for Simplification in Manufacture of Valves.—Approximately 500 size items of gate, globe, angle, check, and cross valves made of iron, brass, bronze, cast, and forged steel have been eliminated in Canada by two simplification orders announced in May by the Wartime Prices and Trade Board. The aforementioned types of valves may henceforth be manufactured only in accordance with the specifications contained in the two orders.

The restrictions, however, do not apply to the manufacture of "specialty" valves, valves for oil-production service, primary pressure valves higher than 1,500 pounds per square inch, or to valves for use in conduction or control of any substance at temperatures exceeding 1,000° F. or below minus 50° F. The manufacture may be continued of any valves, the bonnets or bodies of which were cast or forged on or before June 1, 1943, and of valves intended for the conduction of liquid or gas having chemical or physical properties which make it dangerous or impractical to use valves conforming to the specifications in the orders. Valves may also be made for aircraft or watercraft, other than pleasure craft.

Chile

Economic Conditions

General Trends

Business conditions in Chile during March and April showed comparatively little change from previous months. Toward the latter part of April, Congress convened an extraordinary session to consider a request by the Executive for additional extraordinary powers to freeze prices, rents, wages, and salaries; to direct the investment of profits over 15 percent of invested capital, and to alter monetary legislation and implement the Inter-American resolutions on economic warfare controls. The extraordinary session also had for consideration a proposal to nationalize power facilities and to take over transport enterprises.

In business, the "leveling off" process observed during previous months continued, owing to the progressive scarcity of imported raw materials and semimanufactured products, replacement parts, and industrial machinery, as a result of the restrictions in exporting countries and transportation difficulties. The arrival of coal shipments in April relieved local shortages temporarily, but the scarcity of materials, replacement parts, and industrial machinery remains serious.

Wholesale and retail trade was active during March and April to meet early fall requirements, but there were signs that lower inventories, especially of imported goods as well as of domestic products, will cause a decline in business. Some factories were reducing their rate of operation so as to spread production schedules more in conformity with raw materials available.

Foreign trade in April apparently showed considerable activity. In February it had declined in volume but increased in value. In March it increased in both volume and value. The favorable merchandise balance of trade expanded still further in March, thereby adding to Chile's foreign-exchange holdings. Chile's foreign-exchange reserve is now reaching unusually large proportions. The Central Bank, by purchasing foreign exchange is adding to its foreign gold reserve, and is also expanding the peso deposits with it or the quantity of pesos in circulation, in either case augmenting the purchasing power at a time when there is a shortage of available commodities.

The cost of living continued to rise. In February, the last month for which data are available, the increase was slight but most pronounced on foodstuffs. There was a decrease in the number of persons registering at the Government Employment Office, and in some localities there were labor shortages.

Agriculture and Forestry

During March, delegates from various parts of the country called upon the Minister of Agriculture to seek assistance in obtaining larger allotments of gasoline for their farm equipment. Spare parts were reported becoming scarce. Although the foundries of the Chilean Army are producing plows, similar types of farm equipment, and spare parts, these were not sufficient to meet the demand. In turn, the Minister of Agriculture and the editors of Chile's seven farm magazines called upon the farmers to conserve all kinds of supplies, especially fuel, tools, wire, empty sacks, and wire goods, and to keep their farm machinery in good condition. All types of horse-, mule-, donkey-, and even oxen-drawn conveyances have reappeared on the Chilean country scene in recent months; gasoline-driven private automobiles are seldom seen in the country, although busses and trucks continue to operate.

On March 3 the Ministry of Agriculture forecast a bean crop of 728,037 metric quintals, consisting chiefly of varieties of beans consumed within the

country. Export varieties, such as rice beans, Red Kidneys, Red Mexicans, and others, will probably be limited in supply. The largest rice harvest in the short history of this new Chilean crop was officially estimated at 1,099,781 metric quintals for the 1942–43 crop year, compared with 613,918 metric quintals produced in 1941–42. An exportable surplus of 10,000 metric tons of rice from the new crop is expected.

The hemp-fiber harvest has been the largest in the history of the country, with 15,000 metric tons of this fiber estimated to be available for export. But there was very little interest shown in the fiber in March, and producers were beginning to worry about a market outlet for their bumper crop. The final crop forecast for wheat was 8,160,221 metric quintals. Accordingly, Chile will again be obliged to import wheat from Argentina. In March a new program for the further development of wheat production was announced jointly by the Ministry of Agriculture and the Agricultural Economy Institute, by which every possible means would be used to increase the area sown to wheat in 1943–44.

The oat crop was believed to total 826,474 metric quintals this year, compared with only 667,054 metric quintals produced in 1941–42, and the barley crop was estimated to total 697,696 metric quintals, compared with 703,349 metric quintals last year. Because of the shortage of baling wire, the Chilean Government has forbidden the exportation of hay and any other feeds, foods, fibers, and the like, in bales. The potato crop was estimated at about 4,779,973 metric quintals, a normal crop although considerably smaller than the bumper crop of 5,215,038 quintals last year.

There was considerable discussion in the press during April regarding Chile's present wheat, meat, and milk problems. The Institute of Agricultural Economy announced that special agents were being sent to the principal agricultural zone of Central Chile to assist in developing and stimulating interest in sowing a considerably increased area of land to wheat for the 1943–44 crop. These agents have reported initial successes in the wheat program at La Serena, San Fernando, Temuco, and in the Osorno-Valdivia region.

The decreased number of animals in Chile, three serious outbreaks of foot-and-mouth disease during the 1942–43 crop year, and transportation sales difficulties in obtaining sufficient Argentine live cattle on the hoof over the Andes Mountains and by rail, resulted in a difficult meat-supply problem during April. Inadequate coastal shipping facilities and a lack of refrigerated storage space at ports and consumption centers in the arid northern mining regions of Chile have caused chronic meat shortages in the cities of Tocopilla, Antofagasta, and Iquique.

The foot-and-mouth disease has also affected adversely the milk supplies of the country, especially those produced by the dairy industry in a radius of 50 miles from Santiago, the capital. The situation was made worse by increasing production costs. Whereas wholesale and retail milk prices are fixed, the farm costs for feedstuffs, labor, fuel, transportation, and other essentials, are practically uncontrolled and have been rising rapidly, and many producers cannot afford to continue to operate their dairies and are seeking Government aid either in the form of higher milk price ceilings or a subsidy.

The bulk of the Chilean fruit crop was picked during March and April, and all reports indicated a good-quality crop, although slightly smaller than that of last year. The export picture for Chilean fruit is poor. The production of honeydew melons, which usually bring fancy prices in New York during the winter months in the Northern Hemisphere, was 60 percent below pre-war production when shipping space was available for this product.

The wool situation improved in April. Sheep raisers were able to dispose of most of their 1942–43 wool clip as well as the carry-over from the preceding year. However, more than 6,000,000 pounds of sheepskins and 1,550,000 pounds of lambskins remained unsold at the end of April.

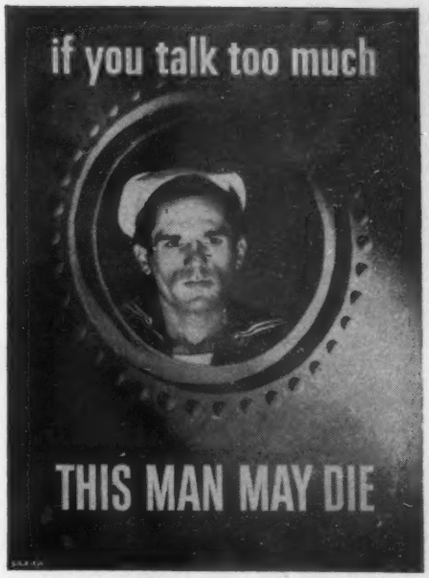
Damage from the forest fires during December, January, and February was estimated in April to have exceeded 145,000,000 Chilean pesos. Much natural pasture land was burned over, and the cattle in the regions affected were reported suffering from lack of natural feedstuffs.

Mining

February coal production was somewhat lower than in January—a condition attributed chiefly to fewer days in the month, since the average daily production was higher than the daily average in January. Production of coal in February showed an important increase over production in February 1942. The number of workers in the coal mines decreased from 16,134 in January to 15,779 in February. In March, coal production took a sharp upturn. More working days accounted for most of the expanded output, which was one of the largest on record in recent years. Despite the increased production, domestic requirements are not yet fully met, and the situation is aggravated by difficulties in transportation and lack of imports of coal and other fuels.

There was a substantial drop in gold mined and placer production in January 1943, compared with the preceding month. In February the rate of gold production recovered slightly despite fewer working days, placer gold showing an increase larger than usual. But compared with February of 1942, gold production of all types, except placer, was considerably lower in February of the current year.

Although the Central Bank of Chile is authorized to acquire domestic metallic gold at 15 percent above the prices prevailing in the United States, it has not exercised this authorization. However, late in November 1942, the Mining Credit Institute announced that it would purchase metallic gold at about 36.90 pesos per fine gram. In April 1943, the purchase price was raised to 38.40 pesos per fine gram. The Government covers 1.20 pesos of this higher price, using some of the funds arising from the yield of the extraordinary copper tax. The general index of mining production rose from 105.9 in December 1942 to 106.9 in January 1943, but dropped to 99.5 in February. The drop of 7.4 in February, or 6.9 percent in mining production is believed to reflect a lessening of all types of mining activities other than gold.



Official OWI Photo

Manufacturing

In December the general index of manufacturing was 179.6, a slight decline from the preceding month. The figure registered for December 1942 was about 3.5 percent lower than in December 1941, and the 1942 monthly average of 181.2 was slightly below 181.7, the monthly average for 1941. In January the general index of industrial activity took a sharp drop to 166.6, or 6.2 percent below the December level. In February the general index took a still further drop to 160.0, a decline of 6.6 or slightly less than 4 percent. In March, the last month for which statistics are available, the general index rose abruptly to 172.8, a gain of 12.8 points or 8 percent over the preceding month although still 8.4 points or 4.6 percent under the 1942 average of 181.2.

In December the index of sales of industrial products was 183.0, an appreciable increase over the 172.5 for November. In January the index again dropped sharply to 167.7, a drop of 15.3 points, or about 8.4 percent. In February the index improved slightly to 175.6, or a gain of 6.9 points or about 4.1 percent. The index then remained stationary dropping only slightly to 174.7 or 0.9 point, slightly more than 0.5 percent, in March. In general the index numbers reflect a slight lessening up of industrial activity. Industries depending upon imported raw or semimanufactured materials undoubtedly feel the effects of transportation restrictions, and difficulties in the exporting countries. In addition they, as well as those utilizing domestic materials, are confronted with deteriorating plant

equipment and growing scarcity of replacement parts and industrial machinery. It is hardly a question now of expanding to meet additional demands for finished products but rather of keeping the industries going at present levels, and there is a growing belief that any appreciable rise in the rate of industrial activity will have to wait until after the end of the war.

Prices and Living Costs

The general upward movement of the cost-of-living index was retarded slightly in January when it receded to 327.5 from the higher figure of 332.4 in December 1942 (March 1928=100). This represented a drop of almost 1.5 percent, ascribed to seasonal factors, especially to lower prices of certain foodstuffs coming on the markets. The index of foodstuffs also declined by 3.6 percent as compared to December. The index of shelter and clothing remained stationary, and the index of fuel and light and miscellaneous items registered increases. Compared with January 1942, the general index was about 22.5 percent higher, or 327.5 in January 1943. Wholesale prices continued their upward trend in January. The indexes of domestic industrial products and imported items registered increases, the index of mineral products remained stationary, but the index of agricultural items took a downward trend, influenced by seasonal factors.

The cost of living continued its upward spiral in February and rose to 333. The partial index of food showed the greatest rise, but fuel and light participated. Rents remained stationary. Compared with February 1942, the general index in February of this year was about 22 percent higher. While for some time the rising cost of living appeared to have been received casually by the Chilean public, there are indications that public opinion is now becoming disturbed. That the Government is becoming aware of the seriousness of the situation is evident in the presentation of a bill by the President to Congress, which would provide the Government with authorization to combat high prices. Responsibility for the enforcement of the provisions of the bill, if passed in the form presented, would rest with the Minister of Finance who would be empowered to prescribe what in effect would be ceiling prices, to establish rationing, to appoint rationing committees, and to regulate salaries and wages. If the bill is passed and becomes law, it would be an emergency measure.

Foreign Trade

Chile's foreign trade in February 1943 decreased by 22.8 percent in volume but increased by 8.7 percent in value, compared to January 1943. Chile again had a large export balance. Peru was the most prominent country in Chile's import trade in February, accounting for 53.4 percent, followed by Argentina with about 27.1 percent, and the United States with about 13.9 percent of the volume imported. However, on a value basis the United States was the outstanding country, furnishing 37.6 percent of the imports, as against 22.7 percent by Peru and 18.4 percent by Argentina.

Exports were lower in volume in February, but higher in value than during the preceding month. The United States was the most prominent purchaser of Chilean exports, accounting for 70.3 percent in value of all exports in February as against 54 percent in January. Argentina was Chile's next best customer in February, taking 4.2 percent in value of all exports.

Chile's foreign trade in March showed considerable improvement in both volume and value over February, rising by 4.9 percent in volume and by 20.6 percent in value, and the export balance was even larger than in the preceding month. Both imports and exports participated in this expanded trade. Peru again furnished most of the volume of Chile's imports in March, accounting for 63.8 percent, as against 14.3 percent from Argentina and 9.2 percent from the United States. But on a value basis the United States was again the leading country, accounting for 31 percent of all Chilean imports. Other important countries were Peru with 27.3 percent, Argentina with 17.5 percent, Brazil with 12.3 percent, and Great Britain with 3.1 percent.

The United States was, as in other recent months, the most important purchaser of Chilean goods in March, taking 72.3 percent of all exports. Shipments to the United States expanded considerably in both volume and value in March, compared with the preceding month. Argentina was the second best customer, taking 3.9 percent of all Chilean exports, and appreciable increase in both volume and value. Brazil ranked third among Chilean customers, in value, purchasing 2.8 percent of all exports.

Chengtu (China) Exhibition Successful

On April 1 an exhibition known as the Szechwan Products Competitive Fair was opened in Chengtu, China. The holding of this exhibition in Chengtu dates back more than a thousand years. Once used to stimulate agriculture and industry, this project in recent years has become commercial in character. The exhibition was not held from 1939 to 1942 because of the war, but reopened this year as a "competitive" fair, apparently at the behest of Generalissimo Chiang Kai-shek.

More than 5,000 exhibits were displayed, covering a wide range. More than 20,000 articles, under 4,780 headings, representing 66 counties and more than 60 wartime factories, were shown. An interesting feature was the presentation of statistics, maps, graphs, and the like—data almost never seen in China.

Huge silk parachutes, products of mechanical, chemical, and spinning and weaving industries, telling an eloquent story of wartime industrial achievements, attracted much attention. Agricultural products ranging from semi-tropical sugarcane to "chingko," as well as exportable articles such as bristles, silk, tung oil, and wool, occupied prominent places in the displays.

Of special interest, too, was a model of the 2,200-year-old Tukiangyen irrigation project, in contrast to like projects recently completed. Another group included geological samples, and still others covered communications systems and public health, while charts and graphs set forth data on agriculture, industry, and the fiscal affairs of Szechwan Province.

This 4 weeks' fair always has attracted thousands of visitors. This year several hundred thousand persons from Chengtu and its environs saw, instead of the usual artistic displays, the wartime industrial achievements of the Province.

Cuba

Tariffs and Trade Controls

Cuba Creates Board of Economic Warfare.—The Cuban Government on May 11, 1943, established a Board of Economic Warfare (Junta de Economía de Guerra) and entrusted it with the task of adapting Cuba's economy to the present war emergency and preparing it for the contingencies of the post-war period. The Board is composed of the Prime Minister, who will preside; the Ministers of State, Finance, Agriculture, Commerce, and Labor; two Ministers without portfolio; the President of the National Development Commission; the Director of the Office of Price Regulation and Supply (ORPA); the head of the Import and Export Agency; the President of the Cuban Maritime Commission; the Enemy Property Custodian; the President of the National Transportation Commission; and a secretary.

The Board will have advisory and action powers. In an advisory capacity it will recommend decrees deemed pertinent for the accomplishment of the provisions of the Production and Supply Control Law of January 21, 1942, which gave the President practically unlimited powers regarding Cuba's imports and exports, agricultural production, and distribution. It will recommend enforcement of the Emergency Crops Law of February 4, 1942, which requires compulsory planting of areas of rice, corn, and beans, by agriculturists possessing a certain area of land.

The Board will also collect, compile, and prepare for the President of Cuba, the Council of Ministers, or Congress, such data, information, statistics, and projects as may be useful for planned

development and use of national economic resources, and recommend to them the immediate measures and long-term plans deemed necessary for convenient or proper use and development of such resources.

A few of the many action powers assigned to the Board include authority (1) for organization of domestic production with a view to domestic supply, transportation, and market distribution; cultivation and domestic manufacture of raw materials, foodstuffs, substitute products and derivatives, with preference to those now in use but which are difficult to import because of the war; and to encourage and protect exploitation of combustible mineral deposits; (2) to coordinate labor and investment capital as factors of production and sources of public welfare, in the consideration that such a coordination is a public need for the economic defense of the Cuban people; (3) to contribute to the solution of the unemployment problem caused by the war; (4) to obtain relatively stable supplies of raw materials for fundamental industries of the country so as to assure the highest possible labor standard and the greatest possible use of fixed and working capital in the National Economy; and (5) to draw up plans to incorporate into an organic unit the agricultural, industrial, transportation, mining, monetary, banking, and commission policies of Cuba for the development and prosperity of the National Economy.

Dominican Republic

Tariffs and Trade Controls

Rosin: Import Tax Increased.—The Dominican Republic's import tax on rosin (pez rubia) has been increased from 5 cents per gross kilogram to 10 cents per gross kilogram, according to Dominican law No. 273 of May 4, 1943.

Imports from the United States Must Be Covered by Import Recommendations.—Importation into the Dominican Republic from the United States of articles of all kinds may be made only when covered by an "import recommendation" issued by the General Secretariat of the Dominican Import and Export Control Committee, according to Presidential decree No. 1093, promulgated in the Gaceta Oficial of April 13, 1943. Applications for an import recommendation must be accompanied by a stamp valued at $4, to be retained by the Dominican Government in the event the permit is granted.

The issuance of permits will be limited in accordance with the tonnage of goods allocated to the Dominican Republic by the United States, and preference will be given to imports of essential articles. In the granting of permits to specific companies in different branches of industries, preference will also be given to the more important and better-known firms, in their respective fields, which were in business prior to the war.

Belgian Workers Report on Living Conditions in Germany

Belgian workers, deported to Germany and who have managed to return to Belgium, state that the bridges over the Rhine at Cologne are mined and that the Germans have built fortifications along the river.

According to these workers, the Germans are no longer able to discipline their foreign manpower. Intimidation by holding back wages and the use of other sanctions on the part of factory employers has ceased to be effective. Slow-downs and sick leaves are general.

Effects of the wide mobilization of German manpower are reportedly very apparent. Only old men, and children under 14 are seen in German homes now. Soldiers and workers are not badly fed, as they do not have to provide their own food, but other sections of the population are not so lucky. There is very little in the stores, although the windows are still full of promises. The black market has flourished virulently for some time.

At Hamburg, Belgian workers report that a 14-hour day and a 7-day week are in effect. Most of the men work stripped to the waist, the Nazis having stolen their shirts and underwear the first time these were sent to the laundry, replacing them with used garments which tore at the least strain. A number of the men work in bare feet for fear of using up their last pair of shoes.

In the Rhineland, where Allied bombings are most frequent, the people are reported to be exceptionally miserable, living in squalid, temporary huts. The effects of these bombardments are said to be terrific, but the air-raid shelters "seem to offer reasonable security."

The Committee will also control exports or reexports of imported articles, or articles in whose composition imported raw materials have been used. Exports of such goods will be made only with the permission of the Committee.

(Previously only imports of specific commodities from the United States were subject to import-control measures. Exports of imported articles or articles containing imported raw materials have been subject to export regulation since November 19, 1942.)

French Cameroun

Tariffs and Trade Controls

Bananas: Purchase of Quota by British Government Regulated.—Instructions of January 6, 1943, regulating the purchase by the British Government of a quota of 13,000 metric tons of bananas from the French Cameroun during the period ending September 30, 1943, under an economic agreement, were published in the Journal Officiel of French Cameroun on January 15.

French Equatorial Africa

Tariffs and Trade Controls

Palm Oil: Export Quality Standards Revised.—The standards of quality for palm oil exported from French Equatorial Africa have been revised by order No. 545 of March 10, 1943, published in the Journal Officiel of that colony on April 1.

[See FOREIGN COMMERCE WEEKLY of July 4, 1942, for announcement of establishment of these standards.]

Coffee: Government to Buy Half of 1942–43 Production.—The Government of French Equatorial Africa has fixed the regulations under which it will buy, during the period from May 15, 1943, to November 30, 1943, one-half of the total production of coffee by each planter during the crop year 1942–43, by order No. 546 of March 11, 1943, published in the Journal Officiel of that colony on March 15.

French North Africa

Tariffs and Trade Controls

Consumption taxes, Sea-Octroi Taxes, and Single Taxes on Specified Imports Removed in Algeria.—Consumption taxes, sea-octroi taxes, and single (production) taxes on a number of products imported into Algeria have been removed, effective from April 1, 1943, by a decree of March 12, 1943, published in the Journal Officiel of Algeria on March 26.

These taxes were removed either because they had become exorbitant—owing to successive increases, as in the case of coffee, tea, and pepper—or because the revenue derived from the tax was not commensurate with the cost of collection, as in the case of playing cards and mineral waters.

The products from which these taxes have been removed (insofar as each tax applied) are as follows: Beer; benzines, benzol, toluenes; coffee—green, roasted, and substitutes; fuel oil, gas oils, gasoline; glucoses; lighters—cigar and other; mineral waters—natural or manufactured; molasses; pepper; playing cards; sugar—crystalized or not; and tea.

Administrative Authority Granted Powers in Conduct of Economic Warfare in Morocco.—The administrative authority was given power in the French Zone of Morocco to take all measures necessary to eliminate any activity, especially financial or commercial, which may be of direct or indirect advantage to the enemy, by a dahir of March 31, 1943, published in the Bulletin Officiel of April 2.

Wool: Trade, Storage, and Transportation Regulated in Morocco.—Purchases, sales, and other transactions, storage, and transportation of raw or washed wool in the French Zone of Morocco, during the 1943–44 wool season, are regulated by a residential order of March 3, 1943, published in the Bulletin Officiel of April 2.

[Regulations for the previous wool season were announced in FOREIGN COMMERCE WEEKLY of October 3, 1942.]

Iceland

Tariffs and Trade Controls

Exchange and Trade Controls Amplified.—Existing Icelandic Government controls over imports, foreign exchange transactions, and the like, have been revised and amplified by law No. 1 of January 16, 1943. This law replaces law No. 99 of 1941, and became effective immediately. It establishes a Trade Control Board (replacing the Foreign Exchange and Import Control Board), which is authorized to determine what goods shall be imported, allocate shipping space for imports, distribute import permits, import essential goods directly if necessary, control prices, and supervise rationing.

Regulations for the administration of the above law issued on April 3 and published in the official law journal of April 6, 1943, became effective immediately, replacing Regulations No. 50 of June 14, 1938. They require permits from the Trade Control Board for all imports, except travelers' baggage, returned Icelandic goods (certified), and articles accorded import-duty exemption on diplomatic or similar grounds. Permit requirements apply to articles imported by mail. Import permits also constitute foreign currency permits, unless otherwise stipulated. The fee for issuance of import permits is one-half of 1 percent of face value (minimum, 1 crown).

Exporters must exact payment in foreign currencies, must surrender this exchange, when received, to one of the two banks authorized to conduct foreign-exchange operations, and are also required to make detailed declarations to the customs authorities at the time of exportation. (Travelers' baggage, emigrants' effects, returned shipments, gifts, and free samples are exempt from these requirements.)

Masters of departing ships are required to submit, in addition to the required manifests, lists of stores aboard, with additional statements, if required, as to the method of payment for such articles. Owners of Icelandic ships operating abroad may use foreign currency received for freights, fares, and the like, to pay wages and other operating costs before return to Iceland, but are required to account for such disbursements. Passengers are allowed to take only sufficient Icelandic currency to pay expenses on the outward and return voyages.

Icelandic currency may not be taken out of the country (with the exception stated above). All who possess or acquire foreign currency are required to surrender it to the Landsbanki Islands (National Bank of Iceland) or the Utvegsbanki (Fisheries Bank), except as concerns deposits in the reconstruction fund and insurance paid for ship losses which, however, are to be placed in the custody or control of one of these banks.

"Currency" is defined as coins, bank notes, checks, bills of exchange, bonds, and other securities and obligations payable in cash.

Kenya

Tariffs and Trade Controls

Suspension of Customs Duties Announced.—By an order of the Governor of Kenya, published in the Kenya Gazette for March 2, 1943, customs duties have been suspended, effective March 1, on the following commodities: Wheat and wheat flour, rice and paddy, millets, beans and peas (not fresh), cassava and cassava flour, maize and maize meal, ghee, salt, copra and coconut oil.

Madagascar

Tariff and Trade Controls

Import Duties on All Foreign Goods Suspended Temporarily.—Import (customs) duties on all foreign goods imported into Madagascar and dependencies have been suspended temporarily, by an order of March 12, 1943, published in the Journal Officiel of Madagascar on March 16.

Schedule of Import Taxes Revised.—The schedule of import (sales) taxes on goods of any origin imported into Madagascar and dependencies has been revised by an order of March 12, 1943, published in the Journal Officiel of Madagascar on March 16.

The import tax on most products is now 15 percent ad valorem.

On a number of products specific rates apply, as follows: Gasoline, 1 franc per liter; other refined petroleum, 0.30 franc per liter; heavy lubricating and industrial oils, 1 franc per net kilogram; playing cards, 10 francs per deck; cigarette paper, 10 francs per net kilogram; sporting powder, black, 22 francs; pyroxylin, 44 francs, per net kilogram; filled or empty cartridges, 11 francs per net kilogram; and chemical matches, 15 francs per net kilogram.

Products exempted from import tax include goods imported by the colony or by the Military Administration of the Troops of the United Nations, goods subject to consumption tax, leaf tobacco, denatured alcohol, various chemicals and medicinal products, empty sacks and casks, books, gasogenes and vehicles for gasogene use.

Cattle, Horses, Hogs, Organic Fertilizers, Calcined Bones, Industrial Stones: Export Duties Revised.—Export duties have been changed or imposed on a number of native products in Madagascar and dependencies, effective from April 1, 1943, by an order of March 12, published in the Journal Officiel of Madagascar on March 16, 1943.

The specific export duties per head on cows, bulls, calves, horses, mares, and hogs were changed to a rate of 6 percent ad valorem; the duty on organic fertilizers and calcined bones was reduced from 10 percent to 6 percent ad valorem; and a duty of 6 percent ad valorem was imposed on industrial stones, such as rock crystal, amazonite, chalcedony, and the like.

Exports of most other articles remain dutiable at 6 percent ad valorem.

Transport and Communication

New Air Service in Operation.—An air service has been inaugurated between Kisumu in Kenya and Diego Suarez,

"Smoke Gets in Your Eyes"

The Smoke Abatement Society of the United Kingdom has proposed that post-war plans include projects for elimination of smoke, a chemical publication reports.

More than 80 British municipalities have passed resolutions supporting these proposals, it is said.

The suggestion also is made that the provision of plant and equipment to make Britain smokeless would aid in furnishing additional employment.

Microfilmed Periodicals for China

Microfilm is being used to bring outstanding articles from British and United States periodicals to Chungking, China, as a substitute for the magazines which can no longer be obtained because of restrictions on shipping space.

A group of Chinese educators, feeling that printed news of the thoughts and work of the Western world should be made available in some form, organized the "Readers' Service." They arrange for microfilming articles in the United States or Britain, mimeographing them in China, and distributing them to "subscribers."

The service is reportedly very popular, not only with British and American residents of Chunking, but also with Chinese students.

Madagascar, reports an African trade magazine. Stops are made at Mombasa, Dar es Salaam, and Lindi.

Mauritius

Wartime Commodity Controls

Tin: Import Requirements and Stocks Must Be Reported.—By an order of the Mauritius Controller of Supplies, published in the Mauritius Gazette for March 4, 1943, all dealers in tin metal are required to submit detailed returns, to the Bulk Purchase Office, of stock on hand, on order, or in transit, together with 1943 requirements, and quantities imported during the years 1937, 1938, and 1939.

Sugar Now Rationed in the Colony.—Raw sugar has been added to the list of rationed commodities in Mauritius, by an order of the Controller of Supplies, published in the Mauritius Gazette for March 27, 1943. Other rationed commodities are rice, wheat flour, maize, and sweetpotatoes.

Vitamin Products: Import Requirements and Stocks Required To Be Reported.—By order of the Mauritius Controller of Supplies, all dealers in the chemical substances known as vitamin A and vitamin B–1 (anuerine or thiamin), have been required to make returns showing, in international units, current stock and detailed information of 1943 requirements.

Mexico

Wartime Commodity Controls

Absolute Control Over Foodstuffs Prices Established.—Absolute control over the prices and transportation of foodstuffs has been established by a Mexican executive decree, promulgated May 18, 1943. Under the terms of this decree, the Ministry of National Economy and the Ministry of Agriculture are charged with fixing the maximum prices at which producers may sell corn, beans, rice, wheat, flour, potatoes, salt, lard, edible oils and fats, sugar, semirefined solid brown sugars, coffee, chickpeas, lentils, beef, pork, sheep and goat meats, as well as the viscera of those animals, corn dough, tortillas, bread, milk, vegetables and greens, fish, and other articles, which may later be determined.

The Ministry of National Economy is charged with fixing both the wholesale and retail prices of these products, whether they are in warehouse, imported, or produced in the country. The intervention of the Ministry of Agriculture in the administration of the decree and the fixing of prices is confined to agricultural products in rural regions.

The services of the recently established Consortium will be utilized in working out details with merchants, distributors, transport agencies, and others concerned. Transportation companies are directed to move the controlled commodities only when they are handled by the Consortium or by those under contract with it.

[For announcement of the establishment of the Consortium and its functions, see FOREIGN COMMERCE WEEKLY of April 3, 1943.]

Sugar: Wholesale and Retail Prices Established.—Wholesale and retail prices on sugar have been established in Mexico by a Presidential decree, promulgated May 29. Under the provisions of this decree the wholesale and retail prices of sugar in each of the three commercial zones of the Republic, not including the cost of the containers, are as follows:

[In pesos per net kilogram]

Type of sugar	First zone		Second zone		Third zone	
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail
Standard granulated	0.42	0.45	0.43	0.46	0.44	0.47
Standard solid	.43	.46	.44	.47	.45	.48
Standard cube	.44	.47	.45	.48	.46	.49
Refined granulated	.45	.48	.46	.49	.47	.50
Refined solid	.46	.49	.47	.50	.48	.51
Refined cube	.47	.50	.48	.51	.49	.52
Domino and small cube	.49	.52	.50	.53	.51	.54

These wholesale and retail prices will not apply in the States of Yucatan, Campeche, and Tabasco, nor in the northern territory of Lower California, and Quintana Roo. For these regions the Ministry of National Economy will fix the prices for sugar periodically.

For purposes of administration by the National Union of Sugar Producers, the three zones are: Zone No. 1, center of the Republic, including Mexico, Puebla, Cuernavaca, and the West Coast from Nayarit to Nogales Zone No. 2, from Queretaro to Leon, and including Guadalajara, Tampico, and Veracruz; and Zone No. 3, from Aguascalientes to Ciudad Juarez, Chihuahua.

[For previous announcement of control of sugar prices in Mexico, see FOREIGN COMMERCE WEEKLY of November 14, 1942.]

Nicaragua

Tariffs and Trade Controls

Municipal and Welfare Taxes on Rubber Canceled.—All municipal and welfare taxes which may have been assessed on the production, sale, importation, and exportation of rubber have been canceled for the time being by a Presidential decree, effective from date of publication on March 3, 1943.

Northern Rhodesia

Tariffs and Trade Controls

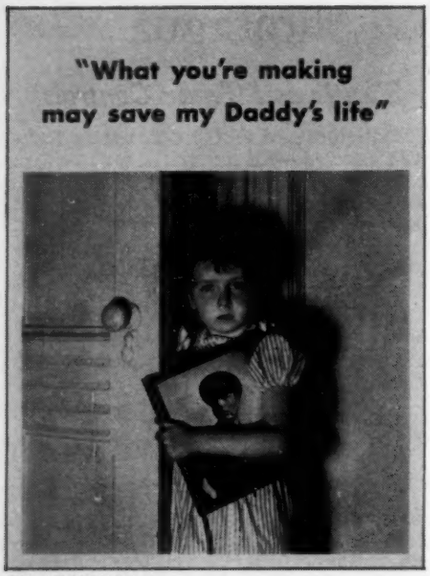
Tobacco: Minimum Export Prices Fixed.—Minimum selling prices for tobacco sold for export by the Eastern Tobacco Board have been approved by the Governor of Northern Rhodesia, according to the Northern Rhodesia Gazette of March 19, 1943. Export prices per pound net weight are as follows: To the Union of South Africa (under duty-free quota), 14d.; to Southern Rhodesia, 3½d.; to other countries, 2d.

Norway

Economic Conditions

INTENSIFIED NAZI ECONOMIC CONTROL

Since the German invasion, a system of far-reaching (though ostensibly indirect) control of Norwegian economic activities of every kind has been established by the forces of occupation. Plans to intensify this control even further have been formulated and, on February 22, 1943, it was proclaimed that, for "economic mobilization," all manpower not employed in essential work would be conscripted, that contributions to enforce the "work effort" in Norway would be exacted of the population, and that en-



Official OWI Photo

terprises not considered to be of "vital importance" would be liquidated.

Nature of Controls

Economic control in Norway is ostensibly exercised by the "Quisling" authorities, but both the Reichskommissar and the Wehrmacht supply the directive influence. Consumption, production, and transportation are rigidly supervised, and the consumption, disposal, purchase, or sale of raw materials and finished products (with unimportant exceptions) is prohibited, except under authority. Allocation of materials, rather than definite production quotas, is used to control industrial activities. Farmers are instructed as to the employment of their land, and the disposal of produce to the Germans or to the local authorities is as strictly regulated as conditions permit. Wherever practicable, fishermen are required to dispose of their catch to the processing factories (German) or to the local authorities. Consumption is subject to rigid restriction by ration card, although black-market operations are on as large a scale as the extreme scarcity of all commodities permits.

Mechanism of Control

Various directorates, functioning within the Norwegian Government Departments, administer economic controls. Of these, the Rationing Directorate (Supply Minister) is the most important. It determines the kinds of goods to be rationed for private consumption, prescribes the amounts of per capita rations, receives periodic reports from producers and dealers as to stocks available, and audits the used ration coupons turned in by retailers. (Rationing of rubber and mineral oils are not under its jurisdiction, but under that of the Communications Directorate.)

The Industry Directorate (Supply Ministry) allocates materials to industry for approved production, and specifies what transactions are permitted, and the Agriculture Directorate (Ministry of Agriculture) performs the same functions for agriculture, but in both cases prior consultation with the Rationing Directorate is required.

Each of these directorates is subdivided into "offices" concerned with a special branch of activity, which keep in touch with the production, stock, and requirements situations in their branch, and determine allocations, and the like for that branch. "Boards," consisting of members of the industries, trades, and other organizations concerned, are appointed to collaborate with and exercise administrative functions under these offices. The above directorates maintain common branch offices in each county, to supervise the suboffices, located in each community, which act as a join committee for all supply questions as concerns the public.

Commercial navigation is controlled by the Shipping Directorate (Ministry of Trade), and the railways are directly controlled by the German military authorities, through the "Wehrwirtschaftsstab" of the Army. Other transport matters are in the hands of the Communications Directorate (Supply Ministry), which comprises:

The Traffic Office, which is concerned with traffic materials, motive power for automobiles and vessels, general traffic matters, and certain questions concerning gas generators;

The Transportation Facilities Office—allocates the transportation available for industry, agriculture, and commerce;

The Mineral Oil Office—distributes mineral oils for fisheries, agriculture, and industry;

The Rubber Office—controls the importation, production, and sale of rubber articles (including the rationing of rubber tires);

The Economy and Control Office—handles certain rationing, economic, and administrative questions concerning the Directorate, and

The Gas Generator Office (somewhat more autonomous than the other five offices)—is concerned with the conversion of gasoline-driven automobiles, etc., to producer-gas power and with fuel supply for gas generators.

The Communications Directorate is represented in various localities by 10 traffic boards and by 53 transport committees, most of which are provided with transportation mediating centrals ("transportformidlingscentraler").

The Price Directorate (Ministry of Trade) can establish prices for any article, at any stage of production, thus controlling both costs and profits. As almost all commodities are subject to price control, the Directorate is divided into commodity departments, and has a special "price police" organization to enforce its regulations. It does not exercise authority over stock-exchange prices, as dividends are limited to 5 percent (8 percent in exceptional cases) and daily fluctuations, in either direction, are limited to 5 percent of the par value of stock.

The Labor Directorate (Social Ministry) is in charge of the requisition of labor for "extremely important" work, such as agriculture and forestry, and appears to have conscripted labor for shipping, fisheries, herring-oil production, aluminum-industry expansion, mining and Germany construction projects. It is to handle the expanded labor conscription scheme under the proclamation of February 22, 1943, for "economic mobilization."

The Government Labor Arbitrator (Social Ministry), assisted by several district arbitrators, in normal times acted as arbitrator in wage disputes between labor and employers. Since wage increases have been prohibited under the occupation and reductions are being enforced (despite the greatly increased cost of living), the arbitrators now function only in minor disputes. The Labor Arbitrator is also required to approve all cases of changes of employment involving salaries of 6,000 crowns or more per year, to enforce wage ceilings.

General Trade Controls

Imports into Norway take place only under clearing agreements negotiated by the Germans. A council composed of representatives of Norwegian banks, industry and trade, and some government officials has some authority in formulating these agreements, and a local "clearing institute" administers them. Exports are fully controlled by the Directorates concerned.

For such commodities as are not formally rationed, producers, wholesalers, and retailers make distributions on as equitable a basis as possible, this semi-official rationing being necessary because of the acute shortage of all commodities in the country. The present tendency is for buyers to endeavor to deal directly with producers, to the detriment of the existing trade organization.

Economic Mobilization

Opposition by the population to the plans for intensified economic mobilization, proclaimed on February 22, 1943, has been widespread, and has evidently impeded the execution of these plans. While information on the subject is too fragmentary to permit a full appraisal of the progress of the program, at this time, some interesting details have become available, through the Swedish press.

Early in May, 30 bank branch offices in Oslo (out of a total of 79) had been closed, some department stores had been merged, and it was intended to close 900 tobacco stores (out of a total of

Peru Uses Navy Transport to Bring Wheat and Beef From Argentina

The steamer *Rimac*, a transport of the Peruvian Navy, recently called at Buenos Aires with a cargo of Peruvian nitrate (says the periodical Mundo Argentino) and proceeded to install cold-storage chambers at the River Plate port in order that she might carry a return cargo of frozen beef, as well as of wheat, to Callao, Peru. This is in accordance with the contract that Peru signed October 26, 1942, to purchase 6,000 tons of Argentine frozen beef per year.

The beef was to be loaded at Buenos Aires and the wheat at Bahia Blanca, Argentina.

1,000), and a large number of stores, considered as of luxury character, had, by the end of that month, received orders to close. Breweries and restaurants in some of the larger cities have also been affected.

It is evidently the intention to utilize the labor, released by this program, mainly or entirely in the German interest. It is especially desired to obtain mechanics, electricians, and construction workers. Women affected by the plan are to be used as conductors on railways and street railways, as telegraph messengers, and for other types of work. Although it was announced in Norway that in allocating conscripted labor preference would be given to forestry and agriculture, press sources state that a contingent was sent to work on German airdromes in northern Norway about the middle of April, and in early May it was evident that military projects were still receiving priority, while some labor was also being supplied to the German shipping enterprise "Transport Flotte Speer."

Reports vary as to the actual force that it has been possible to secure by this draft. Registration was greatly impeded by sabotage, including fires and false registrations. The transportation of the personnel drafted has been extremely difficult, and in the middle of May rail transportation was restricted to troops, conscripted labor, and freight, and additional restrictions were placed on suburban travel. It was found that in many areas (Bergen, Trondheim, Kristiansand, and in northern Norway) the share of the population already working directly or indirectly for German account is so great that the yield of the draft probably will be far less than expected. Reports that boys of 14 are to be drafted for light work are probably an evidence of unsatisfactory operation of the plan.

Formerly, the wages paid on German construction work in Norway were considerably higher than those permitted to be paid in the (relatively small) similar activities for Norwegian account, as an inducement to Norwegian labor to accept employment from the occupation. On April 1, 1943, considerable reductions in wages paid on German projects were ordered, ostensibly to counter the trend toward inflation, but probably because it was believed that, since drafted labor could be controlled through the ration-card system, the more attractive wage scale would no longer be necessary. It is consequently safe to assume that the per capita output of the labor drafted for German construction projects will now be even lower than was formerly the case.

"Desert Ship"—or Steak?

To ride or to eat: that is the question.

At the Middle East Transport Conference held recently, the possibility of using camel transport as a wartime expedient was discussed but final action must await decision on the importance of the animal as *food*. In Egypt alone, it is said, 150,000 camels were killed for food last year in spite of the declared three meatless days a week.

Palestine

Tariffs and Trade Controls

Chrome Ore Exempted from Duty.—Chrome ore is exempted from import duty, according to an order published in the Palestine Gazette of May 20, 1943. The order removes chrome ore from the item, "metalliferous ores and scrap not elsewhere specified," which is subject to 15 percent ad valorem duty and schedules it as a separate exempt item.

Engineering Files Temporarily Admitted for Processing Duty-Free.—Engineering files, including wood rasps, imported for processing, repair, or reconditioning, and to be reexported to the country to which they were consigned, may be temporarily admitted into Palestine duty-free, according to an order published in the Palestine Gazette, May 20, 1943.

The files must be consigned to the person by whom they will be processed and the import entry form must contain description, number, net weight, and statement of intended rexport. Security must be furnished for the reexport of the files within 6 months or such further period as may be directed, and complete record of processing must be maintained.

Portugal

Transport and Communication

Large Purchase of Ships.—Portugal has acquired 54,000 tons of shipping, at a total cost of 145,000,000 escudos, says a foreign shipping journal. These vessels were previously under the German flag and were interned in ports in Angola and Mozambique.

The Companhia Nacional is said to have acquired a large merchantman of 14,500 tons; and the Companhia Colonial has purchased the following: *Dortmund*, 5,138 gross tons; *Wameru*, 4,076 gross ton; *Wagogo*, 3,118 gross tons; *Rufidji*, 1,387 gross tons; three vessels of 1,000 tons each, and 18 "bacalhau" ships (fishing boats).

Union of South Africa

Exchange and Finance

SARAH Has Good Year.—The South African Railways and Harbours—familiarly known as SARAH—reports a gross surplus of £4,168,000 for the fiscal year 1942–43. Through December 31, 1942, the statement is based on actual revenue and expenditure. For January, February, and March 1943, the revenue and expenditure is estimated.

Most of the 1942–43 surplus has been budgeted for expenditure during the current year for improvements and to add to the pension and superannuation fund. For the last 2 years war traffic conditions have added materially to the Railways' income without corresponding extra cost of operations.

The estimated surplus for 1943–44 is £1,693,000. An interesting feature of the estimates for the current year is that the special cost of living allowances for railway employees are practically doubled—£2,316,000 is allotted as compared with £1,200,000 for the last fiscal year.

Courtesy Office of War Information

Uruguay

Tariffs and Trade Controls

Official Import Tariff Valuations: General Increases Established.—A sliding scale of increases of Uruguayan official customs tariff valuations was established by a decree of May 14, published in the Diario Oficial of May 26, and effective May 27, 1943. The increases are as follows: For merchandise valued up to 50 centesimos per unit, 20 percent; from 50 centesimos to 1 peso, 25 percent from 1 to 2 pesos, 30 percent; from 2 to 3 pesos, 35 percent; from 3 to 5 pesos, 40 percent; and above 5 pesos per unit, 50 percent.

Valuations on jewelry and watches and on raw materials are increased by 60 percent, but the valuations on sugar, yerba maté, kerosene, salt, tea, and coffee, are exempted from increase. Merchandise dutiable on an ad valorem basis, based on actual valuations, is likewise not affected.

Gasogenes: Manufacture and Installation Controlled.—For the purpose of developing and controlling the manufacture and installation of gasogenes in Uruguay, a decree of May 14, 1943, published in the Diario Oficial of May 25, provides that technical control of all

(Continued on p. 47)

News by COMMODITIES

Automotive Products

Iceland's Import Regulations Changed

As of July 1, 1943, private firms in Iceland will be in a position to arrange for imports of automobiles and automobile equipment. The State Automobile Monopoly is to be liquidated as of that date.

Chemicals

Australia's Manufacture of Chemical Products

Potash salts are now being produced in Australia on a commercial scale at a large cement works, says an Australian trade publication.

A process was developed at the plant, and it is expected that it will be possible to continue the manufacture of this material even after the war.

Potash was formerly imported, chiefly from Germany.

The new factory being erected in Australia by Chrome Chemicals Pty., Ltd., was nearing completion in March, and the installation of plant equipment had begun, the Australian trade press reports.

All chromium products will be manufactured, including sodium bichromate and chromium sulfate for the textile industry, and production was expected to start soon. Most of the factory's output will be used in finished materials for the war effort.

This project is another development in Australia's efforts to produce locally materials that were formerly imported.

Pyrethrum Culture in Australia

Trial plantings of pyrethrum have been made in Australia under direction of the Council of Scientific and Industrial Research, reports a British chemical magazine.

The high-quality seeds used for this purpose were specially shipped from Kenya, it is stated. Prisoners of war will be employed to cultivate these experimental plots.

Most of Australia's pyrethrum imports formerly came from Japan.

Belgian Congo Produces Chemicals for Warfare

The chemical industry of the Belgian Congo is a valuable asset to the war effort of the United Nations in Africa, says the foreign press.

First established to meet domestic needs, the industry has operated on a war footing since 1940. By providing for many local needs, shipping space is conserved, and the Allies find in the Congo industry a convenient source of supply for some of their requirements. Chemical firms in the Belgian Congo are also exporting their products to neighboring countries.

Factories produce sulfuric acid, fatty acids, and glycerin, sodium chlorate, soda, hydrochloric acid, cadmium, copper sulfate, zinc sulfate, iron sulfate, and lubricating oils and greases.

The sulfuric-acid output, amounting to 20,000 tons annually, is employed in the treatment of copper ore; some of it is sent to Rhodesian mining industries. Zinc concentrates used in making the acid are later exported to the United States, and from the residual dust 20 tons of cadmium, particularly useful in war industries, is recovered yearly.

Glycerin obtained from the manufacture of fatty acids is used by the explosives industry in South Africa. Most of the output of sodium chlorate, 800 to 900 tons annually, is employed in the Congo for the manufacture of explosives; the remainder goes to the South African match industry.

Canadian Production of War Chemicals

The production of crude glycerin by Canadian soap factories in 1941 increased more than 400,000 pounds, according to a recent industry report of the Dominion Bureau of Statistics.

A total output of 2,460,538 pounds of crude glycerin, in addition to that sold to refiners, is shown for 1941, against 2,042,587 in 1940.

The 1941 total for refined glycerin reached 11,705,842 pounds; in 1940 production was 10,025,250 pounds. These figures, however, include some crude glycerin sold to refiners in the industry.

In expanding Canadian production of basic war chemicals, approximately $150,000,000 has been spent on Government-owned plants for explosives and munitions-filling alone, says the foreign press.

Four new works for anhydrous ammonia and some large sulfuric acid plants are included. Additional factories are producing hexachloroethane, monoethylaniline, aniline oil, carbamite, phthalic anhydride, dibutyl phthalate, diphenylamine, acetic anhydride, and butanol.

Canadian Alcohol-Manufacturing Project Abandoned

The project to establish three plants in Saskatchewan Province for the manufacture of alcohol from wheat has been set aside.

Because of the scarcity of materials and the improved demand for Canadian wheat, the Provincial government has decided against taking further action at this time.

Alcohol Production in Cuba

Favorable results have been obtained from efforts to increase alcohol production in Cuba, reports the National Association of Alcohol Distillers.

It is estimated that the total output in May reached 8,000,000 liters, not including cane brandy for beverage purposes. The monthly output during the early part of 1942 averaged 1,350,000 liters.

Approximately 5,400,000 liters of the May production will be used in the manufacture of motor fuel, the Association states.

Denmark's Fertilizer Supplies

The fertilizer situation in Denmark is comparatively satisfactory, although shortages of certain types exist.

Potash and nitrogen fertilizers were supplied to farmers during the past year in approximately normal quantities. The consumption of both showed a substantial increase from 1938–39 to 1940–41, but declined since then and is expected to show a further decrease in 1943.

Imports of phosphates have dropped to less than 10 percent of normal, because of war conditions. Supplies of calcium cyanamide, however, are still not sufficient to permit any allocation, according to a statement of the Ministry of Agriculture.

The consumption of artificial fertilizers in Denmark from 1938–39 to 1941–42 is shown in the following table:

Import Ban on Burlap

All imports of burlap purchased by private dealers after June 7 have been stopped, the War production Board announced on June 12.

Acting under authority of Order M–47 (Burlap), WPB has ordered that no burlap be imported which was bought by any private dealer after the June 7 date.

The move was found necessary as preliminary to establishment of more direct control over burlap imports—all of which are now shipped from Calcutta—in order to make sure of an adequate supply for military and agricultural needs.

The import ban was taken through a telegram issued to all burlap importers which read as follows:

"The following direction is issued pursuant to paragraph (b) (3) of Order M–47: Until further notice, no importations will be permitted of any burlap purchased by any importer after the close of business June 7, 1943."

[In metric tons]

Item	1938–39	1939–40	1940–41	1941–42[1]
18-percent superphosphate	387,721	377,370	87,084	33,000
Potash fertilizers	111,588	108,159	191,312	160,000
Nitrogen fertilizers	250,686	250,436	273,938	262,000

[1] Preliminary.

Limited Supply of Fertilizers in Eire

Supplies of fertilizer for agriculture in Eire are very limited.

Some phosphate rock will be received from the United States, but considerably less than the normal requirements, and it is hoped to import pyrites from Spain. A limited quantity of sulfate of ammonia and some potash can be obtained. There will be a full supply of sodium carbonate.

Only 800 tons of spraying material will be available, against the normal 3,200 tons.

Finland's Fertilizer Imports

The shortage of phosphates in Finland, caused by war conditions, has been partly overcome by increased imports of potassium and nitrogen fertilizers.

Potassium imports jumped to 34,000 tons in 1942 from a pre-war figure of 6,459 in 1938. Imports of nitrogen increased in 1942 to 10,900 tons; the 1938 total was 8,429 tons.

A sharp drop is recorded for phosphoric acid—from 35,973 tons in 1938 to only 2,100 tons in 1942.

Fire-Resistant Chemicals Employed in Germany

Tungstates are now employed in Germany to render rayon and staple fiber for the electrical industry fire-resistant, a European chemical publication reports.

One method treats the fiber with solutions of sodium tungstate and tin chloride, leaving a deposit of insoluble tin tungstate on the material.

Mixtures of tin and aluminum tungstates are also used, either alone or in combination with phosphates.

Noninflammable acetate rayon has also been produced directly by the addition of tungstates, borates, and ortho and meta phosphates to the spinning bath.

Mexico's New Chemical Laboratories

As a part of Mexico's new industrial program, 25 chemical laboratories are being set up, the foreign press reports.

They have a total capital of almost 4,000,000 pesos, it is stated.

Beetroot-Alcohol Production in Morocco

The Moroccan beetroot-alcohol plant at Port Lyautey has been using as its raw material beets provided by an open-air drying plant which began operations in July 1942.

When the establishment of a distillery was contemplated and the process of desiccation appeared to be a useful part of the procedure, former laboratory experiments were renewed. Results confirmed previous tests, and a drying plant was set up to furnish supplies for the distillery, which had not been able to handle all the fresh beets available within the period necessary for their conversion.

The process that has been developed has provided a practical method of using sugar beets, and the plant, although small, can handle 15 tons daily. More than 400 tons of fresh beets have been treated since July 1942.

No Beer for Germans?

Beer consumption in Germany was stopped by order effective March 15, states the English press. This unexpected action is said to have been "a great surprise to the Germans." Naturally, the workers will be most affected by the new measure.

Restrictions amounting to a complete stoppage of wine and spirits consumption were easily understood by the public, since they realize that all forms of concentrated alcohol are needed for war purposes.

The production of fuel from wine and other fruit derivatives has become more and more important in the past year in view of an increasing fuel shortage in Germany. Apart from losses on the Eastern Front, large fuel dumps have been destroyed by the R. A. F.

The entire French wine production was requisitioned, and enormous quantities of wine have been, and still are, being purchased from Portugal.

Portuguese Production of Sulfate of Ammonia

Companhia União Fabril, Sociedade Portuguesa de Azote, and Empreza "Amoniaco Portugues," located in Lisbon, Beja, and Estarreja, respectively, have been authorized by the Portuguese Government to build factories for the production of sulfate of ammonia, says the Portuguese press.

Total outlay for the three plants will amount to approximately $12,000,000, the announcement states. From these installations it is hoped to produce 110,000 tons of sulfate of ammonia annually.

The shortage of this product, owing to war conditions, has seriously affected Portuguese agriculture.

Coal, Coke, Wood, and Fuel Gases

Bulgaria's Requirements for Obtaining Fuel

To obtain coal for the 1943–44 heating season, householders in the principal Bulgarian towns were required to file a declaration of the amount needed with a coal and wood merchant before May 22, 1943. Local fuel commissars fix the quantities to be allocated monthly to the consumers, who may get wood instead of coal in the same amount. Local officials also determine the quantity of kindling wood to be allotted to households using coal.

Households of one or two members will receive fuel enough to heat one room; households of three or four members will receive enough to heat two rooms; and households of five or more members will receive enough to heat three rooms. In addition, all households will be allowed coal for kitchen use, the amount being fixed by the local commissar.

Where filing of declarations was not compulsory, fuel is to be allotted by means of ration cards delivered by the local commissar.

In towns where the declaration system is used, buildings with central heating, as well as government buildings, commercial houses, professional and other institutions, will receive coal in amounts fixed by the commissars. Such consumers will be provided with special cards enabling them to obtain coal from fuel merchants, or, in some cases, directly from the mines.

Coal Production, British Columbia, Canada

Coal production in British Columbia continued to lag in March and April. Output in March was 171,106 tons, and in April 148,990 tons, representing decreases of 8 and 15 percent, respectively, from production in the corresponding months of 1942.

In an effort to increase output in this critical industry, the Selective Service Board has ordered shipyards and other war industries to release experienced coal miners.

Use of Compressed Gas in Germany

Glowing accounts of the increase in the use of "Permagas" (compressed town gas) have appeared recently in the German press. In western Germany, it is stated, numerous filling stations for this fuel have been opened.

At these stations, the gas is compressed to 350 atmospheres, and from 250 to 300 vehicles can be serviced each day. A. G. der Kohlenwertstoffverbände, the enterprise interested in this fuel, plans to open many more stations in the near future.

Construction

Decline in Building Activity, Vancouver, Canada

The value of building construction awards in Vancouver, Canada, during March showed a sharp downward trend—$270,610 as compared with $1,106,415 in 1941. The number of permits issued for new houses were 44 and 132, respectively, a Canadian Commercial periodical points out.

Decreased Number of Building Permits, Uruguay

A decrease in the number of building permits was indicated in the Department of Montevideo, Uruguay, during April 1943. Building permits issued totaled

Margarita's Pearls: Big Crop, Poor Market

The island of Margarita, off the northeast coast of Venezuela, has long been famous for its fine pearls. The largest pearl in the world, once included in the Spanish crown jewels, was, according to the records, found in the oyster beds off Margarita.

At one time, under uncontrolled fishing, or dragging, these beds threatened to become exhausted; but now, under the wise conservation program initiated by the present Venezuelan Government, production is mounting rapidly.

This year's open season, January to April, netted the largest pearl crop in history, says the newspaper La Esfera, of Caracas.

Up to March 26, more than 2,150,000 carats of pearls had been sold to dealers, and 800,000 carats were still to be sold at the town of Porlamar on Margarita, which is the center of this industry. (A kilogram contains 5,000 carats, according to La Esfera's reporter.)

Despite this record crop, the pearls are reportedly bringing the lowest price in history. One lot weighing about 1 kilogram (2.20 pounds) was sold for $500. The pearls are exported to New York, and even to places as far away as Jerusalem. Naturally, not every pearl is perfect as to size, shape, color, translucence, and other desired qualities. There are many factors governing the price other than the size. A large percentage are of irregular shapes and are used in making costume jewelry.

One Venezuelan dealer has a photograph showing 100 pounds of pearls in one pile.

The Venezuelan Department of Fisheries has decreed a 30-month closed season for each bed. About a thousand families hunt the pearl oysters, gathering an average of 10 to 15 bags of oysters a day. The oysters, up to now, have been wasted, but the Government is now carrying on experimental canning operations with hopes of finding a market for this excellent sea food.

Oyster gathering is a part-time job for fishermen, as the regular runs of fish begin in June.

368, with a declared value of 692,076 pesos, compared with 415 permits valued at 1,022,556 pesos in March. The average monthly figure for 1942 was 1,946,666 pesos.

Electrical Machinery and Equipment

Output of Hydroelectric Power, Ontario, Canada

The Hydroelectric Power Commission of Ontario, Canada, has announced that output totaled 11,675,000,000 kilowatt-hours in 1942, the British technical press says. This exceeds by 11.5 percent the output of any preceding year.

Rural Electrification, Quebec, Canada

Ste. Anne des Monts and Cap Chat will be the first municipalities to benefit from the rural electrification program being planned by the government of Quebec, Canada, states the foreign press.

The towns reportedly will receive a grant from the Provincial government equal to 50 percent of the cost of constructing transmission and distribution lines. In addition, they will be permitted to borrow a sum equal to another 25 percent of the cost.

The electricity used will be purchased from the Lower St. Lawrence Power Co.

Proposed Consolidation of Electrical Supply Companies, U. K.

Post-war reorganization of all electricity supply companies in the London area into a single authority is being given much consideration at the present time (see Foreign Commerce Weekly, May 29, 1943). It is claimed that such a reorganization would benefit consumers by:

Standardization of voltages, enabling consumers to use their electrical appliances anywhere;

Standardization of rate structures;

Easy facilities for installment-plan purchase of apparatus, and maintenance of apparatus by the supply authorities;

Development of the industrial off-peak load to give industrial consumers cheap supplies;

Service by the industry's experts to help industrial consumers with technical problems; and

Increased facilities to make advice and guidance from electricity authorities available to the public.

Foodstuffs and Allied Products

Cocoa

Cocoa-Bean Trade, Brazil

The 1942–43 Brazilian cocoa-bean crop is still estimated at 2,000,000 bags of 60 kilograms each.

Port of Bahia arrivals and exports of cocoa beans in April and stocks on hand at the end of April for the years 1939 to 1943, inclusive, are shown in the following table:

[In bags of 60 kilograms each]

Item	1939	1940	1941	1942	1943
Arrivals	12,444	13,732	3,738	240	208,330
Exports	54,176	79,027	44,117	71,017	289,741
Stocks	19,925	26,118	19,703	171,737	[1] 246,219

[1] Estimated.

Cocoa Harvest, Dominican Republic

About 90,000 bags of 70 kilograms each (1 kilogram=2.2046 pounds) of cocoa beans have already been harvested from the summer cocoa crop in the Dominican Republic. A total summer crop of from 210,000 to 220,000 bags is expected by the trade. The quality is good, and the beans have only slight markings as a result of excessive moisture. Prices to producers continue strong, averaging $5.65 per 50 kilograms.

The cocoa harvest from the summer crop has greatly increased stocks on hand available for export; up to May 27 only 4,000 bags had been exported and there are now more than 102,000 bags awaiting shipment. Although stocks have not accumulated to the extent that spoilage would occur, most dealers are giving attention to drying and fumigating the beans in anticipation of being forced to hold them.

Some interest has recently been shown in the possibility of extracting cocoa butter from the beans for export to the United States, but such production is extremely small and cannot at present solve the problems attendant upon exportation of cocoa.

Fish and Products

Iceland's Fish Catch

The Icelandic fish catch for the period January through March 1943 amounted to 43,717 tons, compared with 60,000 tons during the corresponding period last year. Exports of fish during the first 3 months of this year amounted to 36,000 tons.

Codfish Exports From Newfoundland

Exports of salted codfish from Newfoundland in April amounted to 5,847,440 pounds, compared with 6,245,456 pounds in April 1942. Cumulative exports from July 1942 to April 1943 were 92,535,744 pounds, compared with 93,504,992 pounds for the corresponding period of 1941–42.

Stocks on hand on April 30, 1943, were 3,271,072 pounds—or less than one-fourth of the 12,914,048 pounds on the comparable date in the preceding year. The sharp decline in stocks under a year earlier is said to have been caused by the small catch during the past year, together with increased demand in recent months.

Fruits and Products

Banana Situation, Honduras

Banana exports from Honduras declined to 209,444 stems in April 1943, compared with 857,615 stems in April 1942 and 1,131,723 in April 1941.

While the percentage of fruit coming from independent farmers remained about the same in the first 4 months of 1943 as in the corresponding period in 1942, there is an increasing tendency on the part of such farmers to plant other crops than bananas.

The two large banana companies operating in Honduras are maintaining their farms as in normal times.

Bananas Used for Bread Making in Kenya

In the Kimbu district of Kenya, British East Africa, bananas are being cut into strips, dried in the sun for 3 days, and then ground into flour for bread making, according to the foreign press. A bunch of bananas weighing 40 pounds is said to produce about 3 pounds of flour.

Grain and Products

Estimated Wheat Production in Australia

The final official estimate of wheat production in Australia in the 1942–43 season amounted to 156,820,000 bushels, according to the foreign press, in comparison with the final return of 164,080,000 bushels in 1941–42.

Area under wheat in Australia in 1942–43 is estimated at 9,555,000 acres—or about 30 percent less than the 12,653,000 acres planted in the preceding year.

Canadian Flour Production

Flour production in Canadian mills amounted to 2,057,355 barrels in April 1943, compared with 1,960,900 barrels in the corresponding month of 1942, according to the Dominion Bureau of Statistics. Total production for the three quarterly periods of the current crop year was 17,649,127 barrels, compared with 15,246, 534 barrels in the corresponding period of 1941–42. The percentage of output to capacity amounted to 93.0 compared with 87.5 in April 1942.

Total flour stocks for April 1943 amounted to 893,654 barrels compared with 883,744 barrels in March, and 1,131,142 barrels in April 1942.

Sugars and Products

Canada's Estimated Sugar-Beet Acreage

Area planted in sugar beets in the Prairie Provinces, Canada, probably will be increased about 4,000 acres in 1943—or 10 percent more than was planted in 1942. About 2,000 acres of sugar beets were seeded in Manitoba by May 7, 1943 and the total acreage of this Province is estimated at 17,000 this year compared with 14,600 in 1942.

The acreage in Alberta is expected to be about 30,000—slightly more than the 28,000 planted last year. The beet seeding there is 62 percent finished, and prospects are favorable. Thinning machines are being used in the beet fields of Alberta for the first time.

Sugar Allotments for Home Canning, Canada

Canada has set aside 100,000,000 pounds of sugar for home-canning purposes. The maximum amount alloted for this use will be about 10 pounds for each member of a family. Applications for canning-sugar allowances totaled 209,000,000 pounds—or slightly more than 20 pounds per applicant.

In Ontario, only 15,200 acres of sugar beets have been contracted, and this acreage may not all be planted. Last year about 21,000 acres were planted to sugar beets. Capacity of the two sugar factories there is about 40,000 acres. The 1943 contract price of $10 per ton was high but did not offset the fear of labor scarcity and other difficulties.

Regulations under the Meat and Canned Foods Act of July 4, 1940, have been amended because of the need to conserve sugar, as well as to increase production of dehydrated vegetables and facilitate improved packing practices.

Canadian Honey Production

Canadian honey production in 1942 amounted to 24,086,000 pounds, according to the most recent estimate. The revised estimate of the 1941 production was 27,487,000 pounds.

Although the number of beekeepers and colonies increased in 1942, yields were low, resulting in decreased production.

Sugar Situation, Dominican Republic

Larger quantities of sugar were exported from the Dominican Republic during the first 5 months of 1943 than during all of 1942, and as a consequence only about 94,000 short tons of the 1942 crop remain.

Since 1943 production totaled 395,000 short tons by May, there was a larger quantity of sugar on hand than at any time in 1942. However, additional warehouses constructed by the sugar companies are sufficient to accommodate the increase.

There is still a large quantity of cane to be ground, and producers maintain that production this year could amount to 550,000 short tons. The 1943 crop has not yet been sold, and some producers are said to be contemplating ceasing operations, since they believe it possible that any purchase agreement would place some limitation on the size of the crop. Grinding was expected to continue through July, if all cane is to be ground.

Salvadoran Sugar Situation

The 1942–43 Salvadoran sugarcane crop yielded about 19,000 short tons.

In the first 3 months of 1943 sugar production amounted to about 16,000 short tons, of which an estimated 4,000 tons were consumed in the country. Exports totaled 1,500 tons of sugar, all of which went to Honduras, except about 350 tons sent to the Panama Canal Zone.

On March 31, 1943, stocks of sugar in El Salvador totaled 14,000 short tons.

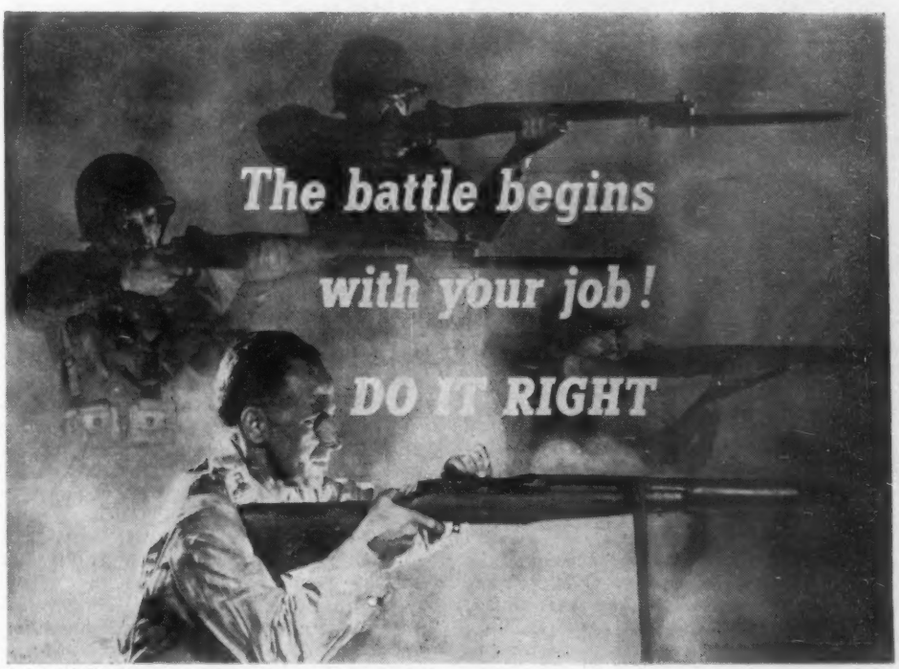
Domestic consumption of sugar in El Salvador during 1943 is expected to be about 12,000 tons.

In normal times the Honduran market absorbs about 4,000 tons of Salvadoran sugar, but curtailment of overland transportation facilities is expected to reduce the amount to 3,000 tons in 1943.

Sugar and Honey Production, Panama

Honey production in the Republic of Panama in 1942 amounted to 6,691,956 pounds; the Province of Los Santos was the outstanding producer, contributing approximately 90 percent of the total.

Production of brown sugar in 1942 was 2,238,481 pounds. Sugar production in the Republic of Panama is not sufficient to fill domestic requirements, and on May 12 an announcement appeared in the local press stating that bids for 800,000 pounds of refined sugar would be received.



Official OWI Photo

Vegetables and Products

Potato Shortage, Canada

To insure equitable distribution of eastern Canada's limited stocks of potatoes, the Wartime Prices and Trade Board on May 11 froze part of the stocks in the hands of wholesalers. Maritime potato shippers are required to route all future shipments through a central agency of the Board which will direct shipments to centers in which the shortage is most acute.

The sale of certified seed potatoes for any use other than planting was prohibited by an order of the Board on May 11.

New potatoes, both domestic and imported, had a ceiling price of 5½ cents a pound during May. Beginning in June and to apply during July and August, the ceiling price was cut to 5 cents a pound.

The 10-percent war exchange tax on potatoes imported from the United States has been suspended for the period from May 1 to June 30 in an effort to facilitate imports and relieve the current potato shortage. The tax amounts to about 25 cents a bushel.

Exports From Mexico

Trainload shipments of fresh vegetables from the west coast of Mexico ceased during the period from May 1 to 15, but carload shipments continued to be sent. Three carloads of peppers crossed into Nogales on May 25, though these are thought to be the last shipments that will be made from that region in this season.

Total carload shipments of fresh vegetables from Mexico during the 1942–43 season, compared with the 1940–41 and 1942–43 seasons, are shown in the following table:

[In carloads]

Item	1940–41	1941–42	1942–43
Tomatoes	4,588	5,879	7,419
Green peas	162	91	724
Green peppers	325	584	452
Green beans		1	5
Mixed vegetables	84	46	210
Total	5,159	6,601	8,810

The most important factor in increased shipments was demand, in both the American and Canadian markets, due to war conditions. This increase in demand had been anticipated by planters, who consequently were in a position to supply the needs of what should be considered an abnormal demand.

Vegetable Production Increased in Switzerland

The area planted to vegetables in Switzerland has nearly doubled during the past 2 years, according to the Axis press. It increased from 12,000 hectares (1 hectare=2.471 acres) in 1940 to 21,000 hectares in 1942.

Prior to the war, about 23,000 carloads of domestically produced vegetables and 6,000 carloads of imported vegetables were consumed in Switzerland. During 1942, domestic consumption increased from 50,000 to 60,000 carloads.

Iron and Steel

Imports Into Trinidad, B. W. I.

The volume and value of iron and steel manufactures imported into Trinidad in 1941, as officially reported, are shown in the following table, with figures for 1940 for purposes of comparison:

Item	1940		1941	
	Tons	Value	Tons	Value
Angles, shapes, sections, girders	4,137	$614,738	6,543	$885,361
Flat galvanized iron	541	65,878	395	50,165
Corrugated galvanized iron	2,409	290,041	2,560	342,776
Tubes, pipes, fittings, up to 6 inches in diameter	13,690	2,438,630	9,362	1,762,509
Tubes, pipes, fittings over 6 inches in diameter	15,253	2,129,312	11,455	1,815,022
Wire netting, fencing and mesh, all kinds	219	66,615	134	60,010
Wire cables, rope, etc		126,479		131,171
Other manufactures of iron and steel		1,025,792		1,387,228

Leather and Related Products

Shoe Production in Uruguay

Uruguay's shoe industry, which has been adequately supplying the domestic market for the past 2 years, has not as yet developed an export market. With an abundance of low-priced raw material available, however, and an adequate supply of labor, the industry shows excellent possibilities for expansion in that direction.

Production has decreased seriously since 1939 as a result of diminishing purchasing power, consumption per capita for the past 2 years amounting to only an estimated 1.75 pairs annually. According to the best available estimates, total shoe production in 1942 came to 2,916,000, a 19 percent decline since 1940. It is believed that with a substantial outlet, the five or six largest factories could produce between 1,000 and 2,000 pairs a day more shoes than at present, within a year from the time of placing appropriate preliminary orders.

There has been a marked decrease of imports into Uruguay during the past 5 years, summer shoes for women having constituted the main volume of this business. Sports shoes for women are imported in smaller quantities, and imports of shoes for winter or ordinary street wear have been negligible for some time.

Uruguay's shoe factories are centered in the city of Montevideo. The spring and fall months are the most active, 60 percent of each year's production occurring at that time. The 3 summer months, December, January, and February, and the 3 winter months, June, July, and August, contribute approximately 20 percent each.

Although the supply of tanned leathers on hand, including soles, is adequate for a considerable increase in shoe manufacture, the factories in April were averaging only four 8-hour days a week. The sole leather is said to be unusually soft and flexible and of superior quality. The patent leather is also of superior quality. Leather sole linings of sheepskin are well made in a variety of colors, thicknesses, and types. Rubber soles and rubber heels of good quality are also manufactured to some extent.

The type of shoe most frequently worn by both the rural and urban population is the "alpargata" made of burlap or other vegetable fiber. Leather shoes similar to the United States product are worn by the upper and middle classes but are relatively infrequent among the laboring classes. Wooden- or leather-soled shoes with canvas uppers are frequently seen. Riding boots are worn in the country by all men who can afford them.

Although children of all classes wear alpargatas, especially in summertime, a considerable number of children's leather shoes are also used.

Lumber and Products

Production in British Columbia, Canada

Lumber production in the Vancouver area, which normally contributes 90 percent of the cut of British Columbia, has continued to decline, owing principally to an acute labor shortage.

The cut for January–April 1943 declined to 506,000,000 board feet, from 760,000,000 for the corresponding period in 1942, and 891,000,000 in the first 4 months of 1941.

Inventories are reported by the mills as exceptionally low. Log stocks in Vancouver on April 15 included only 97,000,000 board feet; in April 1942 they totaled 164,500,000, and in April 1941, 281,000,000 board feet.

Courtesy Office of War Information

Argentina's Steel Situation

Best estimates indicate that possible steel receipts by Argentina in 1943 will total only 85,000 tons, says the annual report of the Argentine Central Bank. Only 45,000 tons are expected to come from the United States, the report reveals, and it is *hoped* that the remainder will come from Brazil and Spain, though these sources are regarded as somewhat uncertain.

According to the bank report, average steel and iron imports during 1938–40 were 641,000 tons annually, with an additional 185,000 tons included in machinery, automobiles, and similar items. In 1942, imports were down to 127,000 tons. Steel and iron production in Argentina is expected to reach 70,000 tons in 1943, or about one-fourth of the country's minimum requirements.

An experiment in salvaging timber left in the woods after logging operations will be attempted in British Columbia.

It will be carried out jointly by the Provincial Forestry Department and two private companies.

Ecuador's Balsa Exports

Exports of balsa wood from Ecuador continue to increase, and in April were much larger than in the corresponding month of 1942.

Statistics also indicate a considerable improvement in exports of balsa during the first 4 months of 1943 over the corresponding period last year.

Machinery, Other Than Electrical

Germany Sends Agricultural Machinery to Rumania

The Nazi press claims that large numbers of agricultural machines have been sent to Rumania by Germany during the last 2 years.

The quantities reported to have been delivered and those scheduled for delivery in the near future are shown in the following table:

Item	Number of units—	
	Delivered	To be delivered
Tractors	3,719	130
Tractor plows	3,592	280
Planting machines	5,145	500
Horse-drawn plows	54,235	16,000
Harrows	22,000	2,800
Chaff-cutting machines	32,960	6,000
Sorting machines	1,335	150
Mowing machines	2,339	
Threshers	457	225
Straw presses	90	25

The Rumanian authorities believe that these quantities are insufficient and are attempting to obtain additional machinery from Germany, according to reports.

Motion Pictures and Equipment

Theater Showings in Colombo, Ceylon

Ceylon has 26 permanent motion-picture theaters, 10 of which are in Colombo, and 6 mobile units. The estimated seating capacity of the permanent houses is 17,500.

Approximately 250 feature films and 150 news reels were shown in 1942. No films were produced in Ceylon. The quantity and value of films imported that year, except those received by parcel post, are shown in the following table:

Country of origin	Film imports	
	Quantity	Value
	Linear feet	*Rupees* [1]
United States	149,979	23,397
United Kingdom	98,106	6,289
British India	1,217,969	86,301
	1,466,054	115,987

[1] Rupees 3.30=$1.00.

Five theaters exhibit pictures in the English language exclusively, six show only Indian productions, and the others ordinarily present an English-language film at 6 p. m. and an Indian one at 9 p. m. The mobile theaters show only Indian films. There is no dubbing.

Nonferrous Metals

Tungsten Production in Australia

Australia's leading producer of tungsten increased its output to 242 tons in 1942 from a mine with 1,100,000 tons of reserves, the foreign press advises.

A new concentrating mill, with capacity to treat 20,000 tons of crude ore monthly, is expected to be built immediately.

Imports Into Trinidad, B. W. I.

Imports into Trinidad of nonferrous-metal products in 1940 and 1941, as officially reported, are shown in the following table:

Item	Year	Volume	Value
		Hundredweight	
Aluminum manufactures, other than hollow ware	1941	621	$36,625
Do	1940	670	53,854
Manufactures of brass and alloys of copper	1941	3,797	224,019
Do	1940	5,701	319,186
Other copper manufactures	1941	4,555	126,444
Do	1940	3,531	85,886
Lead manufactures	1941	2,829	64,077
Do	1940	777	11,060
Soft solder	1941	680	29,132
Do	1940	293	12,678
Metal bars, blocks, cubes, etc.	1941	424	22,312
Do	1940	496	31,588

Mercury Deposits Discovered in Ceylon

Promising traces of mercury, the first to be found on the island of Ceylon, have been discovered in Kalpitiyu district of the Northwestern Province, the Far Eastern press announces. In view of the results of preliminary investigations, indicating the existence of rich deposits under the surface, borings are to be made.

At present, the principal world sources of mercury are Italy, Spain, the United States, Mexico, and Canada.

Mozambique's Bauxite Deposits

The bauxite that for many years has been known to exist in the Manica district of Mozambique has been worked since 1938 for white bauxite, says the foreign press. Mixed with magnesite, some of the white bauxite is made into high-grade refractory bricks; the greater portion, however, is exported for the manufacture of aluminum sulphate, since processing on the site is considered wasteful.

Although a survey made early in 1942 revealed an estimated total tonnage of 2,400,000 tons, only 68,000 tons are immediately available for development.

Manganese Production in Rumania

Production in the Rumanian manganese mines which belong to the Bucovina Orthodox Religion Fund is regulated by the Government, the foreign press advises, and disposition of the metal is decided by Government agencies. Output of these mines was previously exported to Germany, but it is reported that Germany now has new sources of manganese, and authorization has been given for the shipment to Italy of 9,000 tons from available stocks, at 2,200 lei a ton.

Decreased Gold Output in Southern Rhodesia

The number of gold-producing properties in Southern Rhodesia was reduced in 1942, say official reports, and output declined to 760,030 ounces, which is 30,412 ounces less than the 1941 production. The decline is attributed to reduced supplies and to a 30-percent increase in the price of available supplies.

Nonmetallic Minerals

Cement Imports Into Trinidad, B. W. I.

Of a total of 49,495 tons of cement, valued at $1,168,200, imported into Trinidad in 1941, the supply from Great Britain totaled $808,671 and Canada's share was worth $344,544.

In 1940, tonnages of cement imports were officially reported at 46,927, and value at $996,964.

Modern Processing Plant May be Erected in New Zealand

A survey is being made in New Zealand to consider the erection of a modern processing plant to handle bentonite, talc, diatomaceous earth, and other minerals, the foreign press reports.

Office Equipment and Supplies

Increased Imports Into Trinidad, B. W. I.

Trinidad imported 604 typewriters, valued at $40,428, in 1941—an increase of approximately 75 percent over the 345, valued at $24,054, received in 1940. Recently published trade statistics show that in both years practically the entire supply was obtained from Canada.

Imports of other office machinery also increased substantially, being valued at $64,289 in 1941 and $33,702 in the preceding year. The leading suppliers in 1941 were the United States ($35,681) and Canada ($24,368).

Oils, Fats, and Oilseeds

Salvaging of Fats in Canada

More than 7,000,000 of the 35,000,000 pounds of fats that must be salvaged this year in Canada for the manufacture of glycerin have already been collected, a large percentage of it coming across butchers' counters, states a mid-May release of the Canadian Wartime Prices and Trade Board.

Fish-Oil Production in Newfoundland

Because of the present strong demand and high prices for foodstuffs, a greater number of Newfoundland fisherman are expected to engage in cod fishing this season than for the past several years. Therefore, an increase in the production of fish oils this year is expected.

In 1942, 266,400 United States gallons of medicinal cod-liver oil, 3,600 gallons of poultry-grade cod-liver oil, and 444,000 gallons of industrial cod oil were exported from Newfoundland to all destinations. Figures for 1941 were 289,709 gallons, 9,783 gallons, and 654,120 gallons, respectively.

Acute Shortage of Olive Oil in Portugal

The shortage of olive oil has been so acute in Portugal that a rationing system has been set up in Lisbon and may be extended to other parts of the country, in an effort to conserve the supply.

Oilseed Cultivation in Switzerland

Cultivation of oilseeds in Switzerland, though still on a small scale, displayed a further good increase in 1942. In that year, 9,600 farmers planted 550 hectares (1 hectare—2.47 acres) of rapeseed, and 26,000 farmers planted about 680 hectares of poppy seed.

The area sown to rapeseed in 1941 was 154 hectares, and in 1940, 38 hectares—the number of planters in the 2 years being 3,000 and 550, respectively. In 1941, 19,600 producers cultivated 541 hectares of poppy seed, and in the preceding year, 5,100 farmers planted 397 hectares to that crop.

Paper and Related Products

Wood-Pulp Production in Canada

Quebec forests during 1942 supplied raw material for the operation of 47 pulp and paper mills, states a Canadian commercial publication. Total production value of paper and cardboard from these mills amounted to $123,318,254 for the year. These mills employed 18,753 workers to whom they paid in wages and salaries a total of $27,923,606.

DIXON
ALDRICH
PASTULA
NAVY 3 FLIERS
These Navy fliers went down in the Pacific, existed thirty-four days, journeyed 1,000 miles and lived through a typhoon, on a RUBBER life-raft eight feet long and four feet wide. The rubber on your car would make four of these life-rafts. You help to
SAVE RUBBER
Save
RUBBER
THAT THEY MAY LIVE

Paper Bags for Transporting Cuban Sugar

Paper bags to replace jute bags for transporting raw sugar have been the subject of recent experiments at Central Toledo, in Cuba, under the auspices of a United States paper manufacturer.

It was found that three multiwalled paper containers of 50 kilograms capacity each are required to displace one customary jute bag of 325 pounds' capacity. Inclusion of one liner of asphalt-impregnated paper is sufficient to make the bag moisture-proof, for a short time at least. Paper bags filled with sugar, when dropped from a height of about 20 feet, showed no damage.

The manufacturers claim certain definite advantages in the use of paper containers for sugar, such as prevention of loss through seepage, reduced damage from hardening of the sugar, and clean emptying of the bags.

Paper Shortage in Eire

Paper supplies of all kinds, with the exception of newsprint, have been reduced to 16 percent of their normal volume in Eire. Stocks of newsprint, which are entirely dependent upon imports, are so depleted that it is necessary for the Department of Industry and Commerce to maintain strict control.

Haiti's Newsprint Shortage

Newsprint imports in Haiti have been seriously curtailed, and most newspapers there have been reduced to only two pages. There are 52 publications of various kinds now being printed in Haiti.

India's Newspapers Reduced in Size

An endeavor to save shipping space is forcing newspapers in India to become skeletons of their former selves. Prices are high and officially controlled.

Newsprint is not produced in India, and lack of machinery and technicians precludes any prospect of its domestic manufacture until after the war. Kraft paper, however, is now being manufactured on a large scale from bamboo pulp, as a result of experiments conducted at the Forest Research Institute, Dehra Dun.

Use of kraft paper for wrapping and packing purposes has increased greatly in recent years; the average annual consumption during the 5-year period preceding the war having amounted to approximately 10,000 tons.

U. K. Uses Waste Paper in Manufacture of Gliders

Incredibly strong and weather-resistant are the noses, tails, and king tips made for gliders, from waste paper, by nimble-fingered British girls who in peacetime constructed imitation commercial products and displays for exhibitions, says the British trade press.

Paper, layer upon layer, alternately brown and "sugar bag" blue, is pasted to the molds and neatly trimmed to fit. By thus varying the colors, the operator can see at a glance whether each coating is complete. Spraying with cellulose finish is the final touch.

Petroleum and Products

Gasoline Shortage in Eire

Imports of gasoline into Eire in 1941 and 1942 amounted to 17,800,000 and 13,750,000 gallons, respectively, compared with normal consumption of 44,000,000 gallons, the Minister of Supplies of the Irish Government stated recently.

At one time in 1943, he pointed out, Eire was faced with the prospect of a complete exhaustion of stocks. Orders prohibiting public transport services and enforcing other drastic reductions were prepared and about to be introduced when the arrival of limited stocks eased the position. The situation may recur later this year, for deliveries are expected to be reduced even further. Supplies of fuel oil have declined more than 50 percent.

Limited Oil Supply in France

The French oil-supply situation continues to be very tight, say European press reports, and further restrictions on commercial road transport have been forecast.

Drilling operations, engaged in by the Société Nationale de Petrole d'Acquitaine, are described as disappointing, and it is reported that the authorities will hereafter concentrate on solid fuels. A small increase in the output of synthetic motor fuels is expected, however.

Farmers are being encouraged to plant oilseeds as a means of providing French railways and other users with substitute lubricants, it is stated.

Greece Receives Oil Shipments From Germany?

In the first 3 months of 1943, say Axis press reports, Germany delivered the following amounts of mineral oils to Greece: 2,000 tons of benzine, 4,000 tons of crude oil, 1,000 tons of heating oil, and 1,000 tons of petroleum. Additional deliveries are expected.

Prospecting for Mineral Oil in Spain

The Spanish petroleum monopoly has been granted prospecting rights for mineral oil in a district covering about 10,000 acres, bounded roughly by the villages of Calatanazar, La Cuenca, and Abejar, situated in the region of the Sierra de Cabrejas in the Province of Soria.

There is no information available to indicate that the proposed prospecting in Soria will meet with more success than the extensive, and none too successful, explorations in the past.

Shale-Oil Production in Sweden

Consolidation of the two principal shale-oil concerns in the Province of Vaestergoetland has been authorized by the Swedish Riksdag. In addition, the proposal to grant 25,600,000 crowns for the extension of existing plants and for production of shale-oil by the Ljungstroem method has been approved. As a result of these measures, it is estimated that shale-oil production will rise from the present 37,000 tons to about 81,000 tons a year.

New Bulgar Confection: Jam From Rose Petals

Bulgaria is considering the development of a new industry, according to the foreign press. Instead of making rose oil, or attar of roses, an old industry in Bulgaria, it has been proposed that, for some years to come, rose petals should be made into jam. It is estimated that at current prices for rose petals and sugar the jam can be made at a cost of 40 leva (nominal value of leva about 1.2 cents U. S. currency) per kilogram (kilogram=2.2046 pounds), or approximately 21 cents a pound.

The cost of the manufacture of the jam would have to be borne in part by the Agricultural and Cooperative Bank which now finances the production of rose oil.

Bulgarians consider rose jam a delicious confection, and it would find a ready market. About 2,204,600 pounds of sugar would be required for the annual crop of rose petals. If sufficient sugar is not available, it is suggested that molasses from sugarcane and sorghum cane, both grown in southern Bulgaria, be used.

It is also suggested that, in the making of jam, rose petals be mixed with strawberries, pumpkins, pears, or apples.

There are many ways in which rose petals can be utilized in the making of jam, and thus a new Bulgar industry would be developed and a new source of food supply obtained.

Rubber and Products

Increased Production in Belgian Congo

Rubber production in the Belgian Congo has been greatly stimulated since the fall of Malaya and the Netherlands Indies, reports the African press. New tapping methods have doubled, and in some cases trebled, the yield of the 45,000 acres of European hevea plantations and the 5,000 acres of native plantations.

In the Province of Stanleyville, 30,000 acres of hevea have been planted, and it is hoped that during 1943 this area may be doubled. In addition, one organization has cleared about 17,500 acres of land, and is receiving seed for it by plane.

At present, however, the bulk of the rubber output is wild rubber collected by the natives in the immense tropical forests, it is stated. Of the 750 tons of rubber purchased at Leopoldville in March 1943, 500 tons consisted of forest rubber.

Production of Synthetic Rubber in Bulgaria

A new synthetic-rubber plant is being built near Sofia, Bulgaria, British trade reports indicate. Production is expected to begin at the rate of 1 ton a day, increasing to 500 tons a year. Quality of the rubber will be satisfactory for footwear, it is stated, but at present it is not satisfactory for tires.

Byproducts include caustic soda and a material which can be used as a substitute for turpentine and lacquers.

Synthetic rubber has been produced for some time in Bulgaria, but with no conspicuous success. Present production is said to amount to no more than 100 kilograms (220 pounds) a day.

Tire Manufacture in Cuba

The tire factory of the Compañía Goodrich Cubana, S. A., is at present producing tires at the rate of 2,100 units a month, and is gradually increasing production as the employees gain experience. The plant operates 24 hours a day, and employs 190 persons, 70 of whom are temporary.

Rubber Situation Somewhat Improved in Eire

The rubber situation in Eire, though still serious, is much better than had been anticipated, according to a recent statement of the Minister of Supplies.

This year, he stated, it will be possible to maintain a supply of new and remolded tires sufficient to meet essential vehicle requirements, and it is hoped to make 300,000 cycle tires available.

Mozambique's New Rubber Factory

The new rubber factory of the Fábrica Colonial de Borracha, Ltd., located at Lourenço Marques, in the Portuguese East Africa colony of Mozambique, is concentrating on the production of footwear and rubber heels, according to African press comment. The machinery, made in Portugal, was set up in the factory in 3 months' time. Capital outlay is reported already to be in excess of $80,000.

Native collectors in the Inhambane district are the factory's only source of supply for raw rubber at present. Rubber grows throughout the colony, however, and north of Manica and Sofala there are millions of untapped rubber trees, it is said.

The factory now employs 62 workers, 8 of whom came from Portugal. Capacity of the existing machinery is said to be 1,200 kilograms (about 2,646 pounds of rubber and 600 pairs of shoes a day. There is ample room for expansion.

The factory plans to manufacture bicycle and automobile tubes, rubber for retreading automobile tires, and other products in the near future.

Want a Nice "Seaweed and Poodle Hair" Suit?

After the Nazis entered France, the supply of linens, silks, tweeds, muslins, and suitings quickly became entirely exhausted.

To remedy the shortage, even in a very small way, a Frenchman, who had lost everything through the invasion procured a hand loom and with the assistance of two ex-soldiers proceeded to produce hand-made tweed out of the most incongruous assortment of materials.

His systematic search for every conceivable type of fiber is reported in a British textile periodical—how he scoured the countryside, collecting bark from trees, long fibrous strips from wild plants, and seaweed. Goats' hair and even clippings from French poodles were salvaged.

In 6 months' time this pioneer had more than 100 assistants, and orders were coming in faster than they could be filled.

In another section of France, exhaustive experiments are being conducted with all types of substitute fibers. Even pine needles are being considered for use in spinning threads.

Special Products

Furniture Imports Into Trinidad, B. W. I.

The value of furniture and cabinet ware imported by Trinidad in 1941 was more than twice as great as in 1940, recently published trade statistics show. Imports of metal furniture and parts increased slightly.

The chief supplying countries in 1941, and the value of goods received in 1940 and 1941, are shown in the following table:

Item and country of origin	1940	1941
Furniture and cabinet ware, total	$42,815	$104,426
Canada		91,152
Metal furniture and parts, total	153,845	174,971
Canada		129,062
Great Britain		40,903

Demand for Bicycles and Tires in Society Islands

Bicycles constitute the customary means of transportation in Tahiti, Society Islands. A few taxis and private automobiles are in use, but their number is decreasing steadily because of shortages of gasoline and repair parts.

Bicycle tires are now said to be in the greatest demand of any article sold in Tahiti—with the exception of food. The few bicycles and tires that have reached the island since the outbreak of the war have been sold under government control, with individuals having the most urgent needs being given priorities.

It is reported that a shipment of tires, of the size ordinarily used on French-made bicycles, has recently been received from Australia. Individuals are required to turn in an old tire for each new one purchased.

Textiles and Related Products

Cotton and Products

Production in Barbados

Cotton picking was in progress during May in Barbados, and yields were expected to be lower than last year.

For the fourth successive season, this island has been entirely free from ravages of the pink bollworm.

Canadian Cotton Consumption

In the first quarter of 1943, 48,687,511 pounds of cotton were consumed in Canada, compared with 49,728,082 pounds in the first 3 months of last year, reports a Canadian trade journal. In April, 38,611 cotton bales were opened. This is not as much as the 44,200 bales opened in March, or the April 1942 figure of 44,391 bales, but brings the total for the first 4 months of this year to 157,185 bales, compared with 176,402 for the corresponding period of the preceding year.

Many night shifts have been discontinued, and some mills even have difficulty in obtaining sufficient workers to run a full day shift. This labor shortage has also brought about an inadequate yarn supply, and consumer-goods production is steadily running behind demand.

On March 1, 1943, 144,362 workers were employed by primary and secondary textile industries—about 1,000 less than the 145,367 employed on the same date a year ago. The drop in available workers is reported by the primary industry.

Silk and Products

Sericulture in India

India's recently established but steadily growing parachute industry already displays a seemingly insatiable appetite for silk.

To help satisfy the demands, the Kashmir government is sponsoring a vast program of expansion in sericulture, says a British periodical.

For a 3-year period, mulberry groves in Jammu and Kashmir are to be enlarged at an annual expenditure of 1,25,000 rupees. A conditioning house will be located in Kashmir, and the testing department in a Jammu factory will be improved. Cumulative incubation will supply rearers with hatched worms instead of eggs. House-building advances to growers will be resumed, and cocoon prices will be fixed yearly, before the rearing season.

The expansion program also includes erection of a hibernation house for conservation of seed and construction of seed houses in outlying districts.

At present, some 4,000 families of Kashmir derive their entire livelihoods from sericulture, and over 50,000 families are said to devote a portion of their time to the industry.

Synthetic Fibers and Products

Canada's Mill Production

Canadian citizens are assured of an adequate supply of rayon wearing apparel in 1943, unless retail sales reach abnormal proportions, says a Canadian textile journal.

To maintain a high level of production, some mills keep the same cloth on the looms for all seasons of the year. As a result, many fall and winter lines will be merely standard spring materials artfully converted by using fall dyes and finishes. Thus much time, labor, and material will be conserved while producing sufficient fabrics to meet normal demands.

In 1942 the domestic market consumed 87,997,000 yards of woven rayon and mixture fabrics, not far below the record consumption of 90,600,000 yards in 1941. Canadian mills produced 77,552,000 yards, compared with 83,151,000 yards in the preceding year, but imports were greater.

Standardization of production undoubtedly contributed to the high production in 1942, as the total supply of rayon yarn and staple fiber did not reach a proportionate level.

Wool and Products

Production and Consumption of Wool in Australia

Australia's 1942–43 wool clip is expected to total 3,483,000 bales, says a trade publication. This is somewhat below the 1941–42 level of 3,656,013 bales, and is attributed to unusually dry weather in some growing areas. The decrease, however, is not as great as these figures would indicate, because the size of each bale has been increased by 10 or 12 pounds. Wool earnings, which may

Belgian Congo's Position in 1942 Mineral Output

The Belgian Congo is first among the United Nations in the production of cobalt, tantalite, industrial diamonds, and radium ores, and second in the production of tin.

Congo production in 1942 included 168,000 tons of copper, 28,000 tons of zinc concentrate, 27,000 tons of manganese, 28,000 tons of cassiterite, 5,500,000 carats of diamonds, 1,800 tons of cobalt, 269 tons of wolframite, 126 tons of tantalo-colombite, and 16 tons of refined gold, the African press reports.

"It Tastes like Sawdust"

Chemically treated wood chips are being used by German scientists to produce an artificial "meat," according to European press dispatches.

The process has been developed, it is stated, by a former winner of the Nobel chemistry prize.

amount to £71,000,000, will be the highest on record, the previous high being £66,644,396 in the 1927–28 season.

Consumption in domestic mills has again increased, even topping the high total of 1940–41. Curtailed output for civilian needs insures a continuance of high production after government orders begin to decline.

About 7 percent of the yearly clip is now scoured in Australia, compared with only 4 percent in pre-war years.

Australian wool growers have effected such extensive savings that a threatened shortage of jute wool-pack has been successfully averted, at least for the present season, and prospects are bright also for the 1943–44 clip, says a British textile bulletin.

Many second-hand packs were used, and, what is more important, the average weight per bale for the present season was 12 pounds greater than last season. This additional weight is believed to have saved about 130,000 jute packs in one season, and has conserved valuable shipping space.

When comparing yearly clips, however, due consideration must be given to the differences in weight, as bales from the 1943 clip are slightly over 315 pounds, whereas the average weight in the preceding season was a little over 303 pounds.

Canada Attempts to Meet Civilian Needs

Realizing the gravity of an impending shortage of men's and boys' apparel, with particular regard to overcoating and suiting fabrics, and all types of underclothing, the Canadian Department of Munitions and Supply has agreed to curtailment in filling military orders, reports a textile periodical.

Military production will immediately drop to about 60 percent of total output, from a previous proportion of between 70 and 75 percent, thereby permitting mills to manufacture a proportionately larger quantity of essential civilian wool goods. Tweeds, frieze mackinaw, and blanket cloth for civilian use will be increased sufficiently to at least alleviate the threatened shortage.

Civilian and war demands required about 125,000,000 pounds of shorn wool to produce some 27,500,000 yards of wool and worsted fabrics. In 1942 Canada produced 12,867,000 pounds of shorn and 5,000,000 pounds of pulled wool. Therefore, farmers are constantly urged to raise more sheep, to supply as much as possible of the Dominion's wool requirements.

Wool Production in Iran

Flocks of sheep in Iran are believed to comprise some 16,000,000 head.

Wool production estimates for the year ended March 21, 1943, remain unchanged at 12,000 metric tons, which figure has also been tentatively set for the next yield, clipping of which was begun on March 22.

The market is quiet, and during April prices ranged between 8,000 and 30,000 rials per metric ton, based on quality. These prices are well below those prevailing in the 3 preceding months. (The selling rate for the rial is 32.50 and the buying rate 32.00 to the dollar).

Situation in U. K.

Wool cloth and blanket export market allocations for the period June to September 1943 were issued to United Kingdom producers the last week in May. This has developed more orders for piece goods. Renewed interest also is shown in the yarn trade. Spinners have caught up on old orders and can now promise better deliveries.

Employment in the wool industry is reported to be about one-third of the pre-war level.

Average prices of clothing ordinarily bought by working-class families were 71 percent higher on April 1, 1943, than they were on September 1, 1939, and on April 1, 1942, they were as much as 95 percent higher. Clothing prices on April 1 of this year were from 1 to 2 percent lower than on March 1. Utility cloth and apparel now available in larger quantities have made this reduction in prices possible.

Miscellaneous Fibers

Denmark Finds Use for Flax Shive

In Denmark flax shive (waste) is dried, pressed into briquets, and burned in gas-producing plants for automobiles and trucks, reports an Irish textile journal.

Flax Production in U. K.

Some 7,500 acres of flax must be raised this year for scutching at a Northampton flax mill, said to be the largest in the British Empire. This acreage, according to a British textile periodical, is more than double that grown in all of Britain only 5 years ago.

The Northampton flax mill claims to use no coal whatsoever, shive waste, constituting about 40 percent of the weight of straw, being burned exclusively.

Tobacco and Related Products

Australia Produces "Bumper" Crop

Scanty rainfall during the 1941–42 season had no serious effect on tobacco, one of Australia's most important export crops, and there was a record harvest. Quality of the Virginia type, however, was not quite up to earlier standards.

Total area under tobacco during 1941–42 was 79,109 acres, and the green weight produced was 49,061,281 pounds, comprising: Virginia flue-cured type, 46,579,011 pounds; fire-cured, 937,527; other, 2,961; and Turkish, 1,541,782. The total exceeded the preceding year's record by more than 12,000,000 pounds.

Raw-tobacco exports represented more than one-fifth of the total value of last year's exports and auction prices have been 50 percent above pre-war levels, states a foreign trade journal.

Decreased Production in Yugoslavia

Owing to a number of set-backs, only 160,000,000 tobacco plants, or 50 percent of the original estimate, were grown in Croatia, Yugoslavia, during 1942, says the Axis press. The drought during the summer of 1942 was also unfavorable for tobacco growing. It is stated, however, that the tobacco was clean of weeds and was of excellent quality.

Tobacco buying began on December 28, 1942, delayed a month by the Government's decision to raise the price of tobacco. Total purchases amounted to 200 carloads or only about 60 percent of the 1941 crop.

Buying price per kilogram of tobacco averaged between 35 to 40 kunas higher than that of last year. In addition, growers received a bonus of 1 kilogram of corn for every kilogram of tobacco delivered.

U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, June 22, 1943:

No. 468—*Current Export Bulletin No. 101.*

The Office of Exports has issued Current Export Bulletin No. 101 covering the following subjects:

1. *General In-transit License GIT–SW/A Canceled for Near East Destinations.*

Effective immediately, in-transit shipments of commodities originating in Switzerland and destined for any of the Near Eastern destinations in the British Empire (Egypt, Palestine and Trans-Jordan, Aden Colony and Protectorate, Anglo-Egyptian Sudan, Bahrein Islands, Kuwait, Trucial Oman, Qatar, British Somaliland, and Cyprus) may no longer be exported under General In-transit License GIT–SW/A.

Such shipments must conform to the export-license procedure required for shipments of commodities originating in the United States and destined to such countries. In addition a Certificate of Origin and Interest covering the shipment, and issued in Switzerland pursuant to directions laid down by the joint Anglo-American Blockade Committee, or a document replacing the original certificate, and issued by a British Consular Officer in the United States must accompany such export license applications. The Certificate or document replacing it will be returned to the applicant and must be presented to the Collector of Customs with the license if the shipment is authorized.

II. *Suggested Export License Application Limits for Automotive Replacement Parts for Third Quarter, 1943.*

In response to requests from exporters, and after consultation with representatives from the Automotive Vehicle and Parts Industry, the Office of Exports is establishing, for the third quarter of 1943, for certain destinations, a procedure whereby limits will be suggested to exporters beyond which applications for export licenses for automotive replacement parts are not likely to be approved.

These suggested limits are offered to exporters simply as a guide in planning their sales and export-license application work, and do not in any manner represent a commitment from the Office of Exports.

It is hoped that this procedure will prove to be beneficial with respect to the issuance of Import Recommendations under the Decentralization Plan, and that it will also save time and labor by reducing the number of applications for this commodity which must be rejected, returned without action, or approved with quantities altered.

Exporters of automotive replacement parts may obtain further details of this procedure by writing to the Machinery and Equipment Division, Office of Exports, Board of Economic Warfare, Washington, D. C., Reference OE-4-5-LGG.

III. *"Partial Shipments" Permitted to Any Destination Under Individual Licenses or Release Certificates.*

Because of some misunderstanding which has arisen with regard to partial shipments, the Office of Exports announces that partial shipments may be made against an export license to any destination, including those countries which have adopted a decentralization plan.

Partial shipments may also be made against a Release Certificate issued under a program license to any of the countries for which a program license has been issued. Collectors of Customs will record such partial shipments on the back of the Release Certificate.

IV. *Single Application and Multiple Commodity Grouping Permitted for Certain Nails, Wire and Manufactures.*

One export license can be submitted for the commodities listed below. The following group of related commodities is added to the List of Related Commodity Groupings shown on pages 92 and 93 of Comprehensive Export Schedule No. 11.

Commodity	*Schedule B Number*
Iron or steel wire, uncoated (include carbon, stainless and alloy steel)	6081.00
Galvanized wire	6082.00
Barbed wire	6083.00
Woven-wire fencing	6085.00
Coated wire, n. e. s., of iron or steel. (Include electric and telephone transmission wire of iron or steel, coated with aluminum, copper or other metal; insulated wire and cable having an iron or steel core)	6091.09
Wire clothesline	6091.19
Twisted wire	6091.25
Wire nails	6092.00
Fence staples, only	6095.00

V. *Change in List of Commodities Exempt From Individual License if Shipments Are Valued at $25 or Less.*

Effective immediately, individual licenses are no longer required for the export of the commodities listed below where the net value of an individual shipment is $25 or less.

Barbed wire	6083.00.
Nails and bolts (except railroad)	6092.00 through 6099.00
Plain wire	6081.00, 6082.00.
Wire and manufactures, other	6085.00 through 6091.98.

Subject IV, Bulletin No. 88, of April 3, 1943 (Announcement No. 454 in FOREIGN COMMERCE WEEKLY for April 10) is amended accordingly.

VI. *General License Canceled for Discontinued Models, Old Styles, and Second-Hand Shoes.*

Commodity	Department of Commerce schedule B number	General license group		Effective date of change
		Old	New	
Leather manufactures: Discontinued models, old styles, and second-hand shoes (include very low-priced)	0659.00	K	[1] None	(1)

[1] The restricitons on the export of these shoes are closely allied to the domestic restrictions announced on Feb. 7, 1943. Discontinued models may include shoes of very recent manufacture which are indentical to shoes currently being sold in the United States under rationing restrictions.

Shipments of the above commodity, which were on dock, on lighter, laden aboard the exporting carrier, or in transit to ports of exit pursuant to actual orders for export prior to the effective date of change may be exported under previous general license provisions. Shipments moving to a vessel subsequent to the effective date of change pursuant to ODT permits issued prior to such date may also be exported under the previous general license provisions.

Building Brazil

(Continued from p. 9)

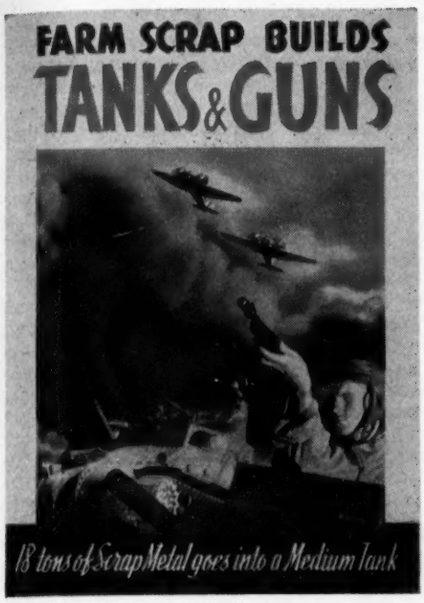
construction material in projects of advanced design. It is frequently said that Brazilians have been successful in doing things with concrete that are not attempted elsewhere. Notable structures such as the grandstand of the Rio de Janeiro Jockey Club—with its cantilevered roof of reinforced concrete and no supporting columns to obstruct the view—merit the recognition that they have received.

Brazil's spectacular modern architecture leans heavily upon cement and concrete, and Brazil is fortunate in having a domestic cement industry equipped to serve its structural needs, even though for the present the lack of fuel has handicapped the cement industry, which is now operating at about one-third of its rated capacity. Brazil's lack of oil is one of the most serious deficiencies affecting its growth, but the Brazilian Government is sparing neither effort nor money in pushing explorations for the "lifeblood of a nation"—in the words of Valentim Boucas, close economic adviser to President Vargas. Experimental oil wells have been established at Lobato in the State of Baia (Bahia). Reports from Brazil say that the oil wells in Baia are expected to produce in 3 or 4 years about 25 percent of the petroleum requirements of the country, or approximately 6,000 barrels per day. The present daily production already exceeds 300 barrels. The existence of oil in Baia is of strategic importance from both an economic and a military point of view. Potential oil deposits have also been reported in the State of Alagoas and in the Acre Territory.

The administration has also attacked the fuel problem from another angle—it is now building an extension of its railroad system westward to connect with Bolivia's oil region.

In Architectural Vanguard

While the Axis-inspired war was laying waste the great cities of the Old World, approximately 50 skyscrapers of reinforced concrete were going up in 1942 in Rio de Janeiro alone. Brazil, many observers contend, has taken the leadership in modern architecture in the Western Hemisphere, and, because of the war, this position is preeminent in the world. In Rio many new schools, a new War Ministry (22 stories high, air-conditioned and covering an entire block), a Finance Ministry, and a new Education and Health Ministry structure were built, and a new Foreign Ministry building was being planned. In fact, Rio is planning to remove the Morro de Santo Antonio hill in the heart of the city in order to make more ground available for further civic



U. S. Department of Agriculture

improvements and to relieve traffic congestion. This is not the first mountain that has given way before the pressure of Rio's modern progress. One of the important civic improvements is a large underground automobile parking area in the center of the business section, which has been completed. (Buenos Aires, Argentina, also has a large underground parking area in the heart of the city. While South America has fewer motor vehicles than the United States, city authorities there have done more intelligent planning to prevent vehicular congestion than have United States cities.)

Another sweeping modernization program has been started in Niteroi, the capital of the State of Rio de Janeiro, lying across the Guanabara Bay opposite the Federal capital. The cost of rebuilding and modernizing Niteroi has been estimated at about $15,000,000. The improvements will include new avenues, increased park areas, and new government buildings.

Many Agencies Active

National agencies concerned with building construction in Brazil, in addition to the "Instituto de Aposentadoria e Pensões dos Industriarios," are: The Ministry of Highways and Public Works; Bank of Brazil; Ministry of Labor, Industry, and Commerce; Ministry of Naval Affairs; Ministry of War; Ministry of Agriculture; and the Ministry of Education. Municipal agencies concerned with construction include the Department of School Buildings and Equipment and the Office of the Prefect of the Federal District.

Construction of office buildings in Brazil has developed a unique architectural variation by creating a system for regulating heat and light. Formerly, when office buildings were constructed, office workers either sweltered behind awnings or depended on the scant protection obtained from venetian blinds, which do nothing to keep the sun's rays from heating the windows.

The "Quebra Sol"

As developed by the contemporary architects in Brazil, external lattices or shutters are used on office buildings. These blinds are sometimes horizontal, sometimes vertical, sometimes movable, sometimes fixed. They are called "quebra sol" in Portuguese. What might otherwise be taken as ornamentation on Brazil's beautiful new government buildings is actually the result of the design effects of the "quebra sol." Modern Brazilian architecture derives its "ornamentation" from the organic functions of the building itself—rather than from decoration superimposed merely for the sake of architectural design.

Illustrations of this type of architecture, which is expected to have a profound effect on all future functional types of construction, were placed on exhibition recently at the Museum of Modern Art in New York City. This exhibit is now traveling throughout the United States to demonstrate the strength and beauty of Brazil's building program.

While movable outside sunshades were experimented with as early as 1933, they have nowhere been more effectively coordinated with the architecture than in the Ministry of Education and Health building in Rio.

On the north side of the building (the same as the south in our latitudes), the floors, thin concrete slabs, are cantilevered outwards about 4 feet from the window. Vertical divisions, also 4 feet apart, break up the facade to give the effect of a huge honeycomb.

Function of Louvers

Asbestos louvers in the upper portion of each rectangular cell are manually controlled and can be directed with the position of the sun, allowing for sufficient air and at the same time keeping out all direct sun rays and reducing excessive light intensity. Thus, the louvers serve as an inexpensive substitute for mechanical air-cooling devices. As the louvers are regulated at different angles throughout the building, it is possible to get an interesting variety of light and shade.

The south side of the building has no need for more sunshade than venetian blinds and is consequently expressed as a solid facade of glass. The building is erected with an open foundation on pillared stilts, permitting free passage of pedestrians at street level.

The new Brazilian Associated Press building uses a different kind of vertical blind. The two "hot" sides of the building are faced with rows of diagonally fixed concrete slabs, each 32 inches deep and 2¾ inches thick, opening on a narrow continuous passage. Some of the rooms have glass on the inner side of the passage; others are left open.

By employing different kinds of sunbreak devices, some elaborate, others simple in design, the outlines produced on the buildings give enchanting variety to the architectural designs of Brazil's cities.

Ideas Applicable Elsewhere

To make these construction developments possible, Brazilian, United States, and French architects worked together. They utilized French, Portuguese, and Italian architectural and construction ideas, and United States technical and labor-saving devices to provide comfort. The Brazilians have developed a new and most necessary device for alleviating the effects of hot weather and with this device created a new type of architecture.

It may well be that, when the war is over, Brazil's new architecture may be adopted for the great rehabilitation projects that will be necessary to restore a shattered and exhausted Old World.

Swiss Army Rations

A Swiss soldier is entitled to the following daily rations, according to the foreign press: bread, 375 to 600 grams; meat, 170 grams; cheese, 80 grams; fresh vegetables or fruits, from 800 to 1,000 grams; dried vegetables, 125 grams; fat and oil, 40 grams; malt, 20 grams; sugar, 40 grams; chocolate, 50 grams; and 4 deciliters of milk, or 10 grams of coffee and 5 grams of coffee substitute; tea, 3 grams.

The daily cost of a soldier's food in francs is as follows: bread, 0.25; meat, 0.55; cheese 0.26; and vegetables 0.78; total 1.84 francs. Since living and labor conditions are less favorable in the alpine regions, it has been decided that an additional amount of food may be given to soldiers there.

Trade Mark Applications

Brazil.—The following applications for trade-mark registration were published on the dates indicated in the Official Gazette of Brazil. Opposition must be filed within 60 days from the date of publication.

Trade-mark	Class number and product	Date of publication
		1943
Pliofelt	No. 36—Wool, straw, and fur hats, fur and wool caps.	May 14
Suede	do	Do.
Viking—Carbon paper.	No. 17—To be used direct on the product or in packages.	Do.
Atlantica Usina Sao Christovao—Carlos Kuenerz & Cia. Ltda.	No. 1—Powdered paints, oil, varnishes, enamels in paste, liquid, or in any form or quality.	Do.
Transatlantica Verniz a oiso e alcool—Usina Sao Christovao—Carlos Kuenerz & Cia. Ltda.	No. 1—Oil and alcohol varnishes.	Do.
Transatlantica Verniz Columbiano—Usina Sao Christovao—Carlos Kuenerz & Cia. Ltda.	No. 1—Floor and linoleum varnishes.	Do.
Invictus	No. 6—Mills (grinding devices).	Do.
Protogenol	No. 3—Medicinal and pharmaceutical preparations.	Do.
Cleopatra	No. 44—Cigarettes, cigars, dried tobacco or tobacco leaves.	May 18
Tropocalcio Laboratorio Capivarol Ltda.	No. 3—Medicinal and pharmaceutical preparations.	Do.
Rosebud	No. 48—Perfumes and toilet preparations.	Do.
Indiana	No. 22—Cotton yarn No. 23—Cotton textile in piece goods. No. 24—Cotton articles not included in other classes. No. 28—Raw silk or rayon yarn prepared for sewing. No. 30—Raw silk or rayon articles not included in other classes. No. 39—Cotton sewing thread.	Do.
Edison	No. 44—Cigarettes	Do.
Cleveland	do	Do.
Metropole	No. 44—Cigarettes, cigars, dried tobacco or tobacco leaves.	Do.
Nu Dent	No. 10—Powder for sterilization of dentures.	Do.

New Tourist Hotel for Peru

La Compañía Hotelera del Peru S. A.—the Peruvian Hotel Corporation, which operates the Government-built and owned tourist hotels of Peru—announces the completion and opening of another hotel of this expanding chain.

The hotel, which has 52 rooms, most of them with private bath, is in the city of Huancayo, capital of the Department of Junin, 10,000 feet above sea level and 160 miles by motor highway from Lima.

Other Government hotels operated by this corporation are in Arequipa, Chala, Huanuco, and Tingo Maria—and the rest house for tourists at the ruins of the prehistoric city of Machu Picchu.

Colombia.—The following applications for trade-mark registration were published in the Diario Oficial on the dates noted. Opposition to the registration of these trade-marks must be made in Colombia within 30 days from the date of the third and last printing.

Trade-mark	Commodity	Date of publication
Alival, Amebiol, Anginal, Atrinal, Atens, Atussin, Albert, Auxicor, Euglarsin, Bismoyodil, Calciovital, Calminal, Cardiol, Comisial, Corazin, Esacrin, Fixacal, Cadyl, Fenumal, Lactosil, Lactyl, Lifquin, Lisoril, Malarsan, Mardelate, Meal, Neo-Diplomidil, Neo-Trialomidyl, Neuroton, Codefedrin, Oftol, Fodorgan, Pertoyodarcyl, Cilcform, Stipticol, Streptanidil, Triazonidyl, Teoran, Triosal, Ulcusan, Yos-Carbin, Tifobucal, Quinoterbin, Sadestoryl, Vibural, Triorlunartryl.	Chemicals for use in industry, photography, scientific investigations, agriculture, horticulture; anticorrosives, insecticides, substances for cleaning metals, floors, woods, and fabrics (other than soaps); medicinal, pharmaceutical and veterinary products, toiletries, mineral water, wines, tonics, etc., and the establishments in which these wares are sold.	May 29, 1943 (second printing).
Condor	Chocolates and similar products.	Do.
Klein	Metals used in industry; manufactures and semimanufactures in iron and steel; industrial machines, apparatus, parts and accessories, and various other items.	Do.
"una nueva pista deportiva de salon"	The privilege of inventing game and sporting accessories and equipment for a period of 10 years.	Do.

Portuguese is Worth Learning

(Continued from p. 11)

zil. It will be useful for him to know that *empreiteiro* means a contractor, that *aceite* is acceptance, that *conhecimento* is a bill of lading—and if he meets the word *falência* he will know that a bankruptcy is involved (naturally he will hope that he seldom sees this word).

Pungent, Vivid Sayings

Fascinating to any person with a feeling for languages, to anyone sensitive to the variations of national thought and temperament, are the proverbs, the "old sayings," encountered in the different tongues. Portuguese is exceedingly rich in such sayings—sometimes approaching our own English method of expression or, again, tackling the thought in a radically original and highly graphic way.

The earnest but cheerful faith of the Portuguese is voiced, for example, in such a proverb as *Dá Deus o frio conforme à roupa* ("God sends the cold to conform with the clothing"), a variant of our own saying (not from the Bible, by the way, but from the novelist Sterne) about tempering the wind to the shorn lamb. Where we in the United States announce a determination to persevere "through thick and thin," Brazilians would be apt to say *por paus e por pedras*—"through wood and through stones."

And, speaking of stones, we have an old, picturesque phrase "to kill two birds with one stone," an idea that is expressed a bit differently by the Portuguese-speaking peoples, who say *matar dois coelhos de uma cajadada*—"to kill two rabbits with one blow of a shepherd's crook." When we want to convey the idea that a youngster has inherited the qualities of his father, we are likely to remark that he's a chip off the old block, but if you were speaking Portuguese you might put across the same thought in an equally vivid way by uttering the terse comment: *Filho de peixe sabe nadar*—"A fish's son knows how to swim!"

And, merely in passing, one is tempted to note such intriguing, wholly appropriate Portuguese terms as "house of the button" (*casa de botão*), for our "buttonhole"— and "sky of the mouth" (*céu da bóca*) for what we prefer to call the "roof" of that vital orifice. If we want to indicate exceptionally close cooperation between individuals, we may say "They're hand in glove," or hold up two entwined fingers and remark, "They're just like *that*" (or we may exclaim "They're thick as thieves!" if we aim to be biting), but the Brazilians have a different phrase: they say *São unha e carne* ("They are fingernail and flesh")—a rather neat way of putting it.

In colloquial Portuguese one often runs into bold, vigorous phrases that commend themselves for their exact aptness. For instance, if it's *really hot* your Portuguese-speaking friend may well say *"Que calor! Estou suando em bicas."* ("What heat! I'm perspiring in waterspouts"—a phrase that comes in very handy for anybody who is studying his Portuguese in summertime Washington.)

Significant Progress

Notwithstanding the facts and factors mentioned earlier in this discussion, the study of Portuguese has of late been making appreciable progress in the United States—an advance that is most gratifying to every friend of the language, and that promises to be significant in the field of commercial relations. The war, with the entry of Brazil into the ranks of the United Nations, has served as a marked stimulus. Courses in Portuguese have been established in an increasing number of educational institutions. Classes have been instituted also outside the academic halls. There has been a widening realization of the *value* of the language—of the practical as well as the cultural benefits to be derived from a knowledge of it.

And, fortunately, this movement has been accompanied by the provision of

better and more ample *tools* for the study of Portuguese, in the form of grammars, readers, and conversation books. Most of these seem excellent—though there was one regrettable exception, in which a publisher rushed out a "convenient phrase-book" for travelers to Brazil in which there was a gross error in the gender of the exceedingly common word *bagagem*, meaning luggage. That may charitably be put down as a mere inadvertence—*nearly all* the new Portuguese books, and series of books, are remarkably good in their particular kinds.

Good Dictionary Needed

There is, however, one important class of books of which this statement is *not* true—and it would seem that business interests might well address themselves to the task of helping to correct this particular situation. There is not a satisfactory Portuguese-English *dictionary* available in the English-speaking countries—and exporters and importers who desire to use the language certainly suffer from that lack. Three dictionaries are on sale. One is a scholarly and extensive work, comprehensive in its day, but decades out of date—lacking vast numbers of the newer terms, especially in the vital field of science. Another dictionary, which has just recently come from the presses, is good as far as it goes, but the definitions are much too curt and the book omits a great many fairly common Portuguese words. The third is (the present writer feels) *sem dúvida* the worst foreign-language dictionary ever sold in this country—riddled with hundreds of misconceptions in the definitions and with untold thousands of typographical blunders, of which a single example will suffice: the Portuguese word *inveja* means, we are here told, "envy, malice, *spit*"!

American foreign traders, as well as many others, have an acute need of a good Portuguese dictionary today. May it be suggested that here is a possible field for helpful sponsorship or other appropriate action by some educational body, by the American Brazilian Association, or possibly by the Office of the Coordinator of Inter-American Affairs?

Businessmen who realize that the path to profit lies through a thorough understanding of the peoples with whom they deal can, it is felt, serve certain of their really fundamental interests by furthering the study of the Portuguese language in the United States.

Flexible, Strong Language

Portuguese has flexibility, pungency, and strength. It possesses an inherent interest, even apart from utilitarian ends. But its practical usefulness is great, today more than ever before. Knowledge of the Portuguese language is a *key*—a key to business success in one of the greatest of republics and in a globe-girdling empire, a key to cordial, harmonious, and rewarding relationships of many sorts, a key to some at least of the aspects of international solidarity.

Does it not seem worth while to acquire a working knowledge of it? Besides the larger ends that impress themselves upon the mind, such knowledge will serve to prevent an occasional contretemps when one is traveling—such for example as happened to an acquaintance of this writer who went into a tobacconist's shop in the Rua do Ouro in Lisbon and said, very firmly, to the man behind the counter: *"Queria comprar umas boas cigarras."* The tobacconist was keen minded and alert on the pick-up, so the *freguês* immediately got the excellent cigarettes that he wanted. Going out into the street, however, the customer voiced a bit of wonderment over the shopkeeper's "sharp start" and his quizzically raised eyebrows. The purchaser did not realize that he had really been expressing the desire to "buy some good grasshoppers."

What a very great difference just a little vowel makes!

[NOTE.—Certain ideas in the foregoing article are reproduced from a discussion, by the same author, published by the Pan American Union about a year and a half ago. For permission to use here the paragraphs from the earlier paper, the writer is indebted to the editor of the Bulletin of the Pan American Union.]

Simplification Makes Giant Strides

(Continued from p. 14)

pounds; tin, 34,221 pounds; nickel, 44,286 pounds; cadmium, 10,000 pounds; copper, 29,463 pounds. Steel savings reached 50 percent.

Only 10,000 bicycles a month are being made. The industry has a more essential engagement with tripods for machine guns, incendiary bombs, searchlights, shells, and airplane parts.

Future Simplification Plans

As the country moves deeper into the war, and its needs for metals, chemicals, textiles, and manpower increase, simplification is bound to cut deeper into the items used by the household. Household items are *expendables;* military items and the machines to make them are *not.*

If simplification of details can accomplish the necessary results, it is that which will be resorted to, rather than the total elimination of the entire item or entire line. There is no desire on the part of the Government to deprive its citizens unnecessarily of the things they are used to.

On the contrary, every effort is being made to keep civilian goods at the highest peak of supply consistent with the necessities of war. It is for this very reason that simplification has been the method used; for, in simplifying, the necessities are left. Only the unessentials are removed.

Recently there was set up the Office of Civilian Requirements within the War Production Board, invested with the power necessary to provide civilians with essential goods and services. As stated in the order creating it, the objective of this new office is "to provide consumer goods and services adequate to maintain essential civilian life and the highest productive efficiency, to the end that the maximum productive power of the civilian populations may be attained in the support of the war effort."

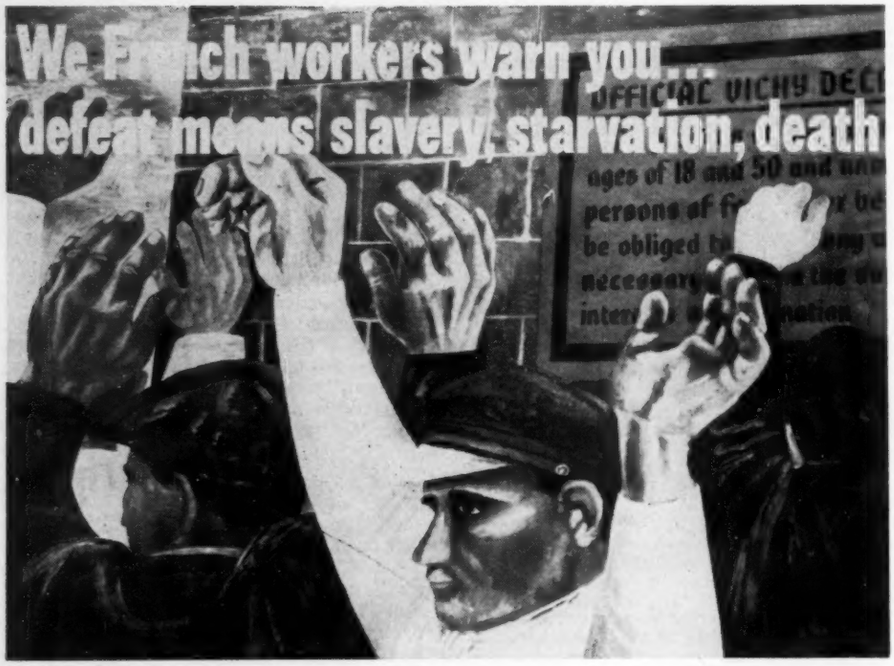
Simplification is not an arbitrary decision on the part of the Government that such-and-such can and must be done. Before any simplification measures are ordered, careful study is made of the necessity of the items affected, and the simplification methods are worked out with the makers of the items. Many of the suggestions already adopted or in process have come from the manufacturers themselves.

Good Economy Prospects

Of the 1,000 items which form good prospects for worth-while 1943 simplification economies, without disrupting civilian living practices, programs for more than 200 are already in work, many of them due to be completed shortly. Some of the programs affecting the civilian consumer are as follows: auto jacks, automotive-repair tools, household brushes, children's sportswear and rayon dresses, nails and screws, stationery, facial tissue, wrapping paper, paper napkins and towels, photographic equipment, pie plates, decorative pottery, radio replacement parts, safety shoes, screens, scissors, silverplated flatware, towels, and wheelbarrows.

Benefits in Many Fields

Simplification has resulted in the reexamination of many manufacturing practices, with results heartily approved by the various industries. Businesses,



Official OWI Photo

they point out, can be run more economically and more profitably by simplifying designs, styles, and numbers of items carried. Longer runs can be made, there is less stock to handle, there are smaller investments in special machinery and less obsolescence.

To the consuming household, simplification means that it can have something instead of nothing. It means, in many cases, easier repairs. In addition, simplification may often forestall the necessity of rationing.

Maintaining Quality

The quality of simplified goods is being watched. The American Standards Association, the National Bureau of Standards, and the Standards Branch of the Office of Price Administration are all working to prevent the lowering of quality when unessentials are removed. In addition, the Office of Price Administration is trying to insure, by setting of specific price ceilings, that new, simplified goods cost only as much as they should, shorn of the unessentials.

War's Effect on Panama's Economy

(Continued from p. 19)

Cocoa

The same uncertain shipping situation which disrupted the banana export trade has affected cocoa exports in a like manner. Most of the exports, which were formerly taken by the Netherlands, the largest pre-war consumer, are now shipped to South and Central America, especially Colombia. Most of Panama's cocoa is grown in Bocas del Toro, the former banana region.

Rubber

Another strategic raw material whose development has been stimulated by the war is the long-dormant but once-active crude-rubber industry, based on the Republic's abundant forests of "Caucho Castilloa" trees. In September 1942 the Rubber Reserve Corporation negotiated a contract with the Panamanian Government for all the rubber produced in the Republic until the end of 1946, unless rescinded by mutual consent.

Some of the rubber collected in Panama is being brought to the United States by plane. The former banana cutter now uses his machete in tapping rubber trees of abandoned plantations as well as wild rubber trees.

Industrial Development

The reaction of Panama's industry to the impact of war conditions has been more passive than the reaction of agriculture. Panama's resources are such that industry must of necessity be a less important factor in its economy; furthermore, conflicting influences engendered by the war have retarded the pace of industrial development. Particularly before the change of administration in October 1941, did the uncertainty caused by the laws and policies of the Government discourage investment and counteract the stimulus provided by the war.

Furthermore, industrial expansion is more dependent on the importation of machinery than is agriculture. It has already been noted that the agricultural program has been rearded by the inability to get the necessary equipment, and that the greatest increases in production have taken place in those crops that are less dependent on machinery. The condition has applied to an even greater extent to industrial development.

Food-Processing Industries

An additional consideration has been that many of Panama's industries are food-processing industries dependent for their expansion on the increase in agricultural production. The sugar mills, rice mills, and coconut-processing industry are all examples. Panama has 6 sugar mills and more than 60 rice mills scattered throughout the sugar- and rice-producing areas of the Isthmus.

The coconut-processing industry has been hindered by the limited supply of coconuts. At the same time, Panama was exporting coconuts. In the summer of 1942, the Government came to the aid of the industry by prohibiting the export of all coconuts grown on the Atlantic coast from Colon to Puerto Obaldia, the principal area of production.

Other food processing in the Republic is represented by dairy products establishments, the salt industry, a sausage factory, a company making edible fats and oils, firms manufacturing macaroni and similar flour products, and one making candies, jam, and preserves.

Liquor Industry

A business which has benefited greatly from the wartime stimulus has been the liquor industry. In the true sense of the word, Panama has only one liquor distillery and only one brewery, a national monopoly. But it has 14 other companies which blend domestically produced and imported alcohols with various essences and flavors, thereby producing rum, gin, whisky.

Liquor production increased 40 percent in value between 1941 and 1942, the greatest absolute difference coming in beer, which accounts for 85 percent of the value of the production. Gin and rum showed the greatest relative growth, increasing 77 percent and 66 percent respectively.

Other businesses which are working at capacity include shoe manufactures, men's clothing industries, and furniture plants, which have increased their production to supply increased demand.

Lumber

The Republic's lumber production is of the hardwood variety—that is, mahogany, cedar, and nazarine. However, softwoods are obtained on a smaller scale, and the possibilities of lumbering and milling quipo, a wood similar to balsa which may be feasible for certain types of airplane construction, are very good. With present equipment, Panama's lumber production could be increased approximately 75 percent if the war effort requires it.

Ceramics

Panama's ceramics industry is one that has been greatly furthered by the activity of the war. The demands

caused by construction activity on the Isthmus, both in the Republic and in the Canal Zone, has been largely responsible for its notable development. A considerable number of hollow cement construction blocks are used in the country for foundations and walls of buildings, since they must stand up under the decaying influence of a tropical climate and the ravages of wood-boring insects. Tile for floors, walls, and roofing are furnished to the construction industry as well.

Since the war and the difficulty experienced by many consumers in obtaining dishes, cups, trays, and many other articles needed for household and restaurant use, ceramics makers have expanded their production of these products as well as that of sanitary fixtures. Materials used in the manufacture of these commodities are mainly procured locally, except for such items as chemicals, dyes, and fittings for sanitary fixtures which must be imported from the United States.

Cement

Recently the Government called together a group of individuals with a view to subscribing capital for the formation of a local plant to manufacture cement. Prior to the war, cement was imported from Europe, most of it coming from England, Belgium, and the Scandinavian area. Since 1940, however, the United States has become the principal supplier. If Panama can develop its own cement plant, not only would the national economy be bolstered, but also it would form a source of supply for Panama Canal construction besides lessening the demand for shipping space.

Very rich deposits of limestone and clay are to be found in several locations in the Republic, in the outskirts of Pueblo Nuevo de las Sabanas, near Maria Engenia in the Chilibre area, and near Bayano at the western end of the Panamanian highway.

Business Psychology Favorable

Although many of the laws formerly objected to by business still remain in the books, the restoration of confidence and the tremendous improvement of business psychology following the change of administration in October 1941 has gone a long way to encourage investment and industrial expansion. Another contributing factor has been the excess funds and bank revenues, accumulated profits from the war boom.

In a recent statement, President de la Guardia promised continued aid to industry. At the same time, it seems unlikely that Panama will ever become an industrial country. Natural limitations present too great a problem. There are, however, certain possibilities for further development deserving of consideration and support.

Transportation Inadequate

One of the major obstacles to the development of the interior has been the absence of adequate means of transportation and communication. Without the requisite facilities to carry the produce of the outlying Provinces to the urban markets of Panama City and Colon, the development of the interior would be of little avail.

It is a remarkable circumstance that Panama, with one of the most important transportation links in the world within its borders, should suffer from a severe transportation problem and be handicapped by a lack of facilities to ship many of its products to market.

Panama has no real railroad system. There are but three isolated lines with only a few kilometers of track. The most important is the Panama Railroad in the Canal Zone, which connects Panama City and Colon. This does not touch the agricultural producing region.

Most of the transportation in the Republic between interior towns and the Canal Zone markets is by small busses called "chivas" and by small 1½-ton trucks. Before tire and gasoline rationing disorganized this service, these vehicles carried rice, potatoes, oranges, vegetables, and cattle from the interior to the urban markets.

To aid the system, the Government has fostered a program of road building and repair. The new concrete highway between Chorrera and Rio Hato is a part of the program. Although this road does not reach the major agricultural area, considerable benefit has been derived by the farmers of the district touched, even though tire and gasoline rationing has begun to have a restricting effect.

The completion of the Panamanian Highway to the Costa Rican border should also be a great boon to the program of agricultural self-sufficiency. Since early in 1943, tire and gasoline rationing has begun to curtail seriously the services of trucks and chivas. It is estimated that approximately one-half of these small passenger busses operating into the interior are now out of commission because of lack of tires. Recognizing that the transportation problem is an acute one, the Public Utilities Control Commission recently directed that in the future no bus departing for the interior shall be allowed to leave from Panama or Colon until it is loaded to 75 percent of its capacity.

To supplement the dwindling freight and passenger service offered by automotive vehicles, the Government in the past few months has adopted a policy of encouraging the use of small coastwise vessels. The scarcity of such vessels and the increased expense of their operation have so handicapped the undertaking that it has met with but partial success. During April 1943, rates for ocean-borne traffic between Pedregal, the most important outlet for the agricultural products of the Province of Chiriqui, and Panama City were increased as the result of the increased cost of ship operation between the two ports. It is estimated that this expense has increased approximately 30 percent since Panama's declaration of war, on December 8, 1941.

The Ministry of Public Works of Venezuela states that a new airport is being built at San Antonio de Tachira on the frontier of Colombia, which will serve the growing domestic communications between eastern and western Venezuela and promote air travel between Venezuela and Colombia. San Antonio is about 12 miles west of the city of San Cristobal and 6 miles southeast of the Colombian border town of Cucuta.

The output of iron ore, manganese ore, and tungsten ore in New Zealand in 1941 was about the same as in 1940, the foreign trade press states. Iron-ore production in 1941 is reported at 1,544 tons; manganese ore at 752 tons; and tungsten ore at 63 tons.

Ordnance Dept., U. S. Army

New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin, June 12, 1943.

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price, $2.75 a year. The June 12 issue contains these articles:

USE OF POISON GAS: Statement by the President.

BUILDING FOR PEACE IN A SHATTERED WORLD: Address by Francis B. Sayre.

STATEMENT BY THE SECRETARY OF STATE.

FRENCH NATIONAL COUNCIL OF LIBERATION.

ANNIVERSARY OF THE SIGNING OF THE MUTUAL-AID AGREEMENT WITH THE SOVIET UNION.

MUTUAL-AID AGREEMENT WITH LIBERIA.

UNITED NATIONS CONFERENCE ON FOOD AND AGRICULTURE: Address by the President of the United States.

RECOGNITION OF THE NEW GOVERNMENT OF ARGENTINA.

THE NATIONAL LIBRARY OF PERU.

VISIT TO THE UNITED STATES OF THE PRESIDENT OF CZECHOSLOVAKIA.

DISTINGUISHED VISITORS FROM OTHER AMERICAN REPUBLICS.

DISTINGUISHED VISITORS FROM CHINA.

DRAFT AGREEMENT FOR UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION.

AGREEMENTS WITH BRAZIL AND EL SALVADOR REGARDING MILITARY SERVICE BY NATIONALS OF EITHER COUNTRY RESIDING IN THE OTHER.

Other Publications

LABOR AND THE WAR. Labor Research Association. 1943. 208 pp. Price, $2. Reviews plans, programs, and contribution of labor to the war effort. Covers taxes, wages, cost of living, hours, productivity, distribution of national income, housing, social security, and similar matters. Includes information on farmers and their price and parity problems, on labor in its war setting in Canada and Latin America, and discusses steps taken toward Allied labor unity.

Available from: International Publishers, 381 Fourth Avenue, New York, N. Y.

THE JAPANESE IN SOUTH AMERICA. J. F. Normano and Antonello Gerbi. 1943. 135 pp. Price, $1.75. Analyzes the growth and present position of Japanese settlement and trade in South America, and presents a picture of the Japanese colonies in Brazil and Peru. Tells how big and strong the settlements are; where they are; who runs them; and explains their political significance. Issued under the auspices of the Institute of Pacific Relations and the Latin American Institute.

Available from: The John Day Co., Inc., 2 W. 45th Street, New York, N. Y.

NEW ZEALAND'S ROLE IN THE PACIFIC. David and Shirley Jenkins. June 1, 1943. Foreign Policy Reports. 12 pp. Price, 25 cents.

Available from: Foreign Policy Association, Inc., Midston House, 22 East 38th Street, New York, N. Y.

RESEARCH AND POST-WAR PLANNING. United States Information Office. 1943. Separate volumes consisting of Survey of Agencies, Part VIII, 75 cents; Bibliography, Part VIII, 85 cents. Lists sources of information which will be helpful to those interested in post-war planning. In addition to describing a number of agencies at work on post-war problems, the booklets contain a bibliography of books and articles dealing with the many phases of post-war reconstruction.

Available from: United Nations Information Office, 610 Fifth Avenue, New York, N. Y.

MY WAR WITH JAPAN. Carroll Alcott. 1943. 368 pp. Price, $3. Tells the experiences of the author, who spent 15 years in the Orient, not only doing his job as reporter, editor, and radio commentator, but conducting a one-man fight against Japan. His experiences range from arms-smuggling incidents in the Philippines in 1928 to Japanese attempts to kidnap him in 1940. Presents up-to-date information about Japan, its people, its institutions, and the havoc that the Japanese have wrought throughout the Far East. The author has covered three wars and watched the development of the Japanese military machine at close range.

Available from: Henry Holt and Co., 257 Fourth Avenue, New York, N. Y.

Contributors' Column

F. Lamont Peirce ("Portuguese Is Worth Learning!") is the editor of FOREIGN COMMERCE WEEKLY. For biographical sketch, see issue of March 28, 1942.

Warner H. H. Scott ("War's Effect on Panama's Economy") was born in 1918 at Amarillo, Tex. He attended Amarillo Junior College and the University of Texas, receiving his B. A. degree in political science in June 1940. After spending the summer in Mexico City attending classes at the Universidad Nacional de Mexico, he returned to the University of Texas for a year's graduate work in economics, 1940–41. Mr. Scott also attended the University of Chicago. After working for the British Admiralty Delegation, he entered the Bureau of Foreign and Domestic Commerce in January 1943, being now in the American Republics Unit.

Hemisphere System of Standards To Aid Trade and Industry

Scientists and engineers throughout the Americas are now engaged in the important task of setting up inter-American standards for machinery, electrical products, and many other items. Lasting benefits to inter-American trade and industry will accrue from this work, which has been stimulated by the war.

The war has focused attention on varying hemisphere standards. Rails suited for one country cannot be used in another, because of a 1/32-inch difference. Use of badly needed vegetable oils has been slowed by inadequate grading standards.

Water meters made in one country sometimes do not met specifications in another. A woman who moves from one region to another might not be able to use her electric iron.

For many years, scientists in the United States, through industrial groups and government agencies, have been eliminating such discrepancies within the United States. Now a spontaneous interest in standards is reported in the other Americas.

When the Spanish-language engineering journal "Ingeniería Internacional" printed a routine four-line notice of the American Standards Association list of standards, 200 requests for it were received from all over the Americas.

Cyrus Townsend Brady, Jr., traveling field representative for the Inter-American Department of this Association, notes that war is promoting industrialization in Latin America, and that industrialization in turn is promoting standardization.

"When industries are founded, as they have been, by men of different countries," says Mr. Brady, "the resulting variety in the materials, the methods, the no-

menclature, the classification, the types, the grades, and so on becomes . . . a definite detriment to advancing industrialization. . . . The standarization of things becomes a necessity."

Some American countries have standards organizations already in operation. They are collaborating with similar organizations in the United States.

In Argentina, the Instituto Argentino de Racionalización de Materiales (IRAM) has been functioning since 1935 and has a semiofficial status. It has a program of preparing standards on as broad a scale as the American Standards Association and the British standards organization. Local representatives of North American, British, and other foreign firms are members.

Brazil and Uruguay have comparable organizations functioning. A start has been made in Mexico, Chile, Peru, and other countries.

It has been estimated that there are 3,000 nationally recognized standards in the United States, all suitable for export uses, and available in published form from technical societies, trade associations, the National Bureau of Standards, and other government agencies. One problem is translation into technical Spanish and Portuguese. Translation has been done under United States Department of Commerce auspices for sanitary cast-iron enamelware, interchangeable ground-glass stoppers, for power shovels and cranes, and other voluntary export standards.

A big project for the near future is translation of the United States National Electrical Code. Fifty firms are cooperating in financing this work. When it is finished, the way will be open for ending difficulties about use of electrical equipment in the Americas.

The most extensive and complicated standards are for machinery and technical products. Vegetable oils also are in need of standards of quality, identification, and analysis.

Another field in which standardization would aid trade is that of consular invoices. Different sizes, colors, and shapes add to difficulty of preparing shipping documents. It has been suggested that they be standardized like steamship bills of lading.

Modern standardization has been defined as "agreement on quality, dimensions, design, uniformity, purposes, procedure, and nomenclature of nearly all important products."

Kitchen Utensils for Export: New WPB Rules

Manufacturing of enameled and cast-iron kitchen utensils for export can be exempted from simplification provisions of Supplementary Limitation Orders L–30–b (Enameled Ware) and L–30–c (Cast-Iron Ware), when specifically authorized by the War Production Board, it was announced several days ago.

Both orders, as amended, provide for meeting export requirements that do not conform to restrictions on sizes and shapes of articles covered by the orders. Applications for authorizations are to be filed on Form PD–556.

Other changes in both orders eliminate certain outdated and unnecessary provisions.

The appeals feature in each order has been brought into line with Priorities Regulation No. 16 by providing for the filing of Form PD–500 with WPB field offices.

"Croatia's" River Development Plans

The Axis puppet state "Croatia" (actually part of Yugoslavia) is continuing a program for the development of rivers and ports to improve its position as transshipper of goods on the Danube, states the Nazi press.

The program reportedly includes the dredging and canalization of rivers, the creation of flood-control and land-reclamation projects, and the construction of port facilities and warehouses. Rail, road, and water systems will be coordinated to establish rapid service.

Zemun is the most important port of transshipment of the water highway connecting western Europe with the Balkans and the Near East, and it will be made a free port.

The total length of "Croatia's" navigable river system is given as 1,200 kilometers.

Argentine-Bolivian Chamber of Commerce

The newspaper Ultima Hora, of La Paz, Bolivia, in its issue of April 10, devoted much space to outlining the aims and objectives of the newly created Argentine-Bolivian Chamber of Commerce which has opened offices in Buenos Aires and is actively exploring every means of increasing commercial interchange and tourist travel between the two republics.

This organization, says Ultima Hora, plans to promote sample fairs from time to time in which the export products of the two countries will be on display.

In 1942 Argentine exports to Bolivia rose to 37,520,000 Argentine pesos. The Bolivian Consul General in Buenos Aires has found it necessary to enlarge his offices.

"You Said It, Boys!"

News by COUNTRIES

(Continued from p. 29)

gasogenes (study of fuels best adapted, approval of different types of gasogenes, training of technical personnel, and the like) shall be under ANCAP (National Administration of Fuel, Alcohol, and Portland Cement), and the economic control (distribution and prices of materials, maximum sales prices, government assistance for the installation of gasogenes, fuel quotas, and the like) shall be under the Direction General of Economic Affairs. All gasogenes and their accessories must be approved by ANCAP before being placed on sale.

To coordinate the duties and activities of ANCAP and of the Direction General of Economic Affairs, a Gasogene Committee will be appointed, consisting of a delegate from each of these institutions, and a delegate from the Faculty of Engineering. All manufacturers of gasogenes must be registered with the Direction General of Economic Affairs, and their manufacturing plants must be approved by ANCAP.

Peru Encourages Handicrafts and Cottage Weaving

The Minister of Development and Public Works of Peru is supervising in Lima the construction of 24 modern hand looms which are to be sent, together with 12 spinning wheels, to the Province of Huancane where a colony of Indian weavers is being established.

Peru has a great wealth of textile fibers of both vegetable and animal origin, and the Indians have been noted since prehistoric times for their skill in spinning and weaving, but, with the advent of the machine age, these handicrafts have been allowed to languish. It is expected that the revival of these indigenous handicrafts will form an important addition to the economy of the nation. In colonial times the Huancane region was noted for its weavers.

Fabrics which are found on mummies—fabrics many hundreds of years old, and made by hand—are said to be as fine in texture as some of the best machine-made fabrics of the present day.

The owners of houses destroyed or damaged during the April 5 bombing raid against the Erla and Gevaert works at Mortsel, a suburb of Antwerp, Belgium, have now been ordered by the Nazis to preserve all metal found in the ruins of their houses. No one may buy any new metal goods for reconstruction unless an equal amount of scrap metal is surrendered to the Germans.

Belgian workers returning to Belgium from Germany reportedly state that production from 10 hours' work in Berlin factories today hardly equals what was formerly produced in only 4 hours.

OURS... to fight for

FREEDOM FROM FEAR

U. S. GOVERNMENT PRINTING OFFICE : 1943